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Japan

Effort To Produce SII Interim Report Stressed

OW2303150090 Tokyo KYODO in English 1352 GMT 23 Mar 90

[Text] Tokyo, March 23 KYODO—Prime Minister Toshiki Kaifu told the Diet Friday that his cabinet gives top priority to preparing an interim report in April on Japan-U.S. trade talks on structural barriers to trade and investment between the two nations. Speaking at the Budget Committee of the House of Councillors, Kaifu said the ongoing Structural Impediments Initiative (SII) talks are certain to provide a chance for the Japanese people to enjoy improved living standards.

The interim report on the SII talks is scheduled to be issued in early April.

The government and ruling Liberal Democratic Party (LDP) are now working on a reform package aimed at responding to U.S. demands in the SII talks with respect to the operation of large retail stores and the antimonopoly law in Japan. Washington has urged Tokyo to revise or scrap the large-scale retail stores law to allow foreign firms to open large stores in Japan more easily and increase the number of large Japanese stores, which are likely to sell more imports than small ones.

U.S. negotiators also have called on Japan to revise the antimonopoly law and impose stiffer penalties on illegal cartels.

Following Kaifu, Finance Minister Ryutaro Hashimoto, said there are good and bad sides to the U.S. demands. Hashimoto said Japan should not consider itself as a victim in the talks and should take positive steps if it finds the demands to be reasonable.

Hashimoto also said his ministry intends of its own volition to expand public spending on infrastructure to improve the living standards of the Japanese.

On the opening up of Japan's rice market, Agriculture, Forestry and Fisheries Minister Tomio Yamamoto reiterated his belief that Japan does not intend to import rice, saying rice farming has a key position in agricultural policy in Japan.

'Exclusionary Business Practices' Reduction Urged

OW2403090790 Tokyo KYODO in English 0759 GMT 24 Mar 90

[Text] Washington, March 23 KYODO—A senior U.S. Government official indicated Friday that the United States is prepared to accept flexible application of Japan's large-scale retails stores law since scrapping it will prove difficult for the time being. The official, who requested anonymity, dropped the hint in an interview with KYODO NEWS SERVICE on the law which the U.S. claims limits foreign access to Japan's retail market. In three rounds of bilateral talks, known as the Structural Impediments Initiative (SII), the U.S. has requested that the law be scrapped. It also wants Japan's antimonopoly law to be revised and public works spending expanded.

While asserting that "our ultimate goal is scrapping the retail stores law," the official said a cut in the adjustment period for opening new stores and a clearer process for the adjustment are needed pending abolition of the law. Even if Japan agrees to do away with the law, it would take time, the official said.

According to the official, the U.S. has urged a drastic improvement of Japan's fair trade commission and an increase in penalties for those engaging in exclusionary business practices. The official also suggested that the Japanese Government set up administrative guidelines for reducing exclusionary business practices such as "keiretsu" [system of affiliated enterprises] business groupings.

Official Details Hope for Early SII Settlement

OW2403105890 Tokyo KYODO in English 0732 GMT 24 Mar 90

[Text] Kanazawa, March 24 KYODO—Chief Cabinet Secretary Misoji Sakamoto said Saturday the government hopes to settle Japan-U.S. structural trade disputes with an interim report to be submitted early next month.

Sakamoto, meeting reporters here, said the government wants to incorporate drastic measures into the interim report due around April 10 to settle the disputes once and for all, without waiting until July, when a final report on the ongoing Structural Impediments Initiative (SII) talks is scheduled for submission. He indicated Prime Minister Toshiki Kaifu will make political decisions on the U.S. demands for scrapping Japan's large-scale retails stores law, intensified execution of the antimonopoly law and increased public works spending.

Japan and the United States will hold the fourth round of SII talks in Washington on April 2 and 3.

Sakamoto pledged the government's utmost efforts to reach a conclusion with the ruling Liberal Democratic Party by early April.

Trade Minister on Retail Stores Law Revision

OW2703054790 Tokyo KYODO in English 0514 GMT 27 Mar 90

[Text] Tokyo, March 27 KYODO—The government is considering shortening the maximum waiting period required before permission can be obtained to open new large-scale retail stores to less than the currently planned two years, Japan's trade minister said Tuesday. International Trade and Industry Minister Kabun Muto made the remark in connection with U.S. calls for easier access to Japan's retail business.

Muto said he has urged his aides to work out plans for a shorter process of consultations with small retailers affected by the opening of large new stores. But the plans may not be put finalized in time for the preparation of an interim report to be issued in early April jointly by Japan and the United States on ways of reducing barriers to bilateral trade and investment, he added.

The U.S. is demanding eventual abolition of Japan's Large-Scale Retail Stores Law, under which it takes up to 10 years to obtain permission to open a new major store. The U.S. says large stores help boost imports and thus contribute to correcting the bilateral trade imbalance.

U.S. Ambassador Meets With LDP Legislators

OW2703073590 Tokyo KYODO in English 0559 GMT 27 Mar 90

[Text] Tokyo, March 27 KYODO—U.S. Ambassador to Japan Michael Armacost urged ruling Liberal Democratic Party (LDP) legislators Tuesday to revamp the Japanese domestic economic structure to remove impediments to trade and investment between the two countries, party sources said.

Armacost, who met LDP members of the Japan-U.S. Parliamentarians' League, cited impediments in Japan in the form of price-regulating mechanisms, a lack of public investment, certain business practices, and the distribution system. The envoy said he had high expectations of development in these fields in the upcoming Structural Impediments Initiative (SII) talks between the two countries scheduled for early next month.

The LDP lawmakers present at the meeting complained about the demands the United States made of Japan, saying they are too wide-ranging and too detailed. They said they agree in principle that the Large-Scale Retail Stores Law should be scrapped but accused the U.S. of being too impatient.

Owners of small stores in local communities might fear for their futures if the Government acts too hastily on the law, resulting in greater setbacks for the LDP in future elections, they reportedly told Armacost.

Nation Labeled 'Unfair U.S. Trade Partner'

OW2403032890 Tokyo KYODO in English 0256 GMT 24 Mar 90

[Text] Washington, March 23 (KYODO)—U.S. Trade Representative Carla Hills said Friday the United States plans to send a delegation to Tokyo in early April to seek a quick solution to trade disputes over communications satellites and wood products.

Hills said the U.S. and Japan, in bilateral trade talks, have reached a tentative agreement that would provide U.S. supercomputer makers with "full and effective access" to the Japanese market. At a news conference with Japanese reporters, Hills said she is pleased with the progress of bilateral negotiations to open Japanese markets to U.S.-made supercomputers.

Last year, the U.S. trade representative filed trade complaints against Japan, identifying three unfair trade areas under the so-called "Super 301" provision of the 1988 Trade Act—supercomputers, wood products, and communications satellites.

Hills also told Japanese reporters Japan will be labeled an unfair U.S. trade partner in an annual report on trade barriers. The government report is due out at the end of this month. In the annual report, Hills said, 34 countries, including Japan, will be identified as unfair U.S. trading partners.

Hills also expressed displeasure with the slow pace of continuing Structural Impediments Initiative (SII) talks with Japan. The two countries are scheduled to publish an interim report on the SII negotiations early next month.

Hills said Japan needs to realize the urgency of resolving the trade disputes, saying Japan is not serious about working out measures in response to U.S. demands.

Hills also urged the Japanese Government to make a quick political decision to break an impasse in the bilateral negotiations.

Self-Defense Forces To Share Base With U.S.

OW2703025990 Tokyo KYODO in English 0138 GMT 27 Mar 90

[Text] Tokyo, March 27 KYODO—The cabinet decided Tuesday it will allow the United States to share facilities at the Air Self-Defense Force's Hyakuri Air Base in Ibaraki Prefecture with Japan, officials said. The Hyakuri Air Base is the fifth such base in Japan used by the two countries for joint drills or other purposes.

Japan intends to allow the U.S. to use the base four times a year for a total of about four weeks, the officials said. Details of the terms of use will be discussed later with U.S. officials, they said.

Extradition Trial Opens for Chinese Hijacker

OW2303141390 Tokyo KYODO in English 1403 GMT 23 Mar 90

[Text] Tokyo, March 23 KYODO—Trial proceedings opened Friday at the Tokyo High Court for accused Chinese hijacker Zhang Zhenhai, who faces extradition despite his claim that he is fleeing from persecution because of his political activities.

Prosecutors assert Zhang hijacked the Air China aircraft last December to the southern Japanese city of Fukuoka to escape criminal charges back home and find work in Japan.

Lawyers representing Zhang, 36, will argue that the hijacking was a last resort motivated by fear of persecution for taking part in pro-democracy demonstrations around Tiananmen Square last year. Hundreds reportedly died in a military crackdown on June 4 on protesters occupying the central Beijing square.

Zhang's attorneys are seeking testimony from three Chinese democratic activists in exile in France who say they saw Zhang at the rallies. Zhang could face the death penalty if returned to China, they said.

Chinese authorities have branded Zhang a criminal, out on bail and facing embezzlement charges when he fled the country. Prosecutors will use Chinese documentation of the charges and testimony from Zhang's wife provided by the authorities which places Zhang at home watching television during the crackdown.

Zhang says he took part in a series of antigovernment protests from 1979, and led an ad-hoc "workers' guard" of some 350 people which resisted tanks rolling into Beijing by hurling bricks and steel pipes at soldiers. The defendant said he tried twice to flee China from the southern province of Yunnan before finally choosing to hijack the Air China flight.

Lawyers intend to cite previous examples of nonviolent hijackings in Europe which were judged "political crimes" and extradition requests was denied.

The Justice Ministry in February rejected Zhang's appeals for political refugee status on the grounds that the hijacking violated conditions set for such treatment.

Legal requirements compel the court to reach its ruling by April 24, complicating prospects for a full presentation by the defense, court observers said. The outcome of the case is seen as significant to Sino-Japanese ties.

Zhang, accompanied by his wife and child, diverted the New York bound flight with 233 people aboard last December 16. His wife and child returned along with other passengers to China the next day.

Firms Allowed To Lay Submarine Cable to Taiwan

OW2303201190 Tokyo KYODO in English 1309 GMT 23 May 90

[Text] Tokyo, March 23 KYODO—Three Japanese international telecom [telecommunications] service companies, including Kokusai Denshin Denwa Co. (KDD), were given official permission on Friday to lay a fiber-optic submarine cable between Kyushu and Taiwan jointly with 20 other telecom firms.

Minister of Posts and Telecommunications Takashi Fukaya granted the permission to KDD, Japan's former international telecom monopoly, International Telecom Japan Inc. and International Digital Communications Inc.

The 1,700-kilometer submarine cable will link Miyazaki Prefecture, southern Kyushu, with Tou Cheng in Taiwan. The cable will provide 7,560 telephone circuits, in terms of 64 kilobits per second. The 80 million dollar cable is scheduled for completion in May 1993.

TASS President Addresses National Press Club

OW2303141490 Tokyo KYODO in English 1340 GMT 23 Mar 90

[Text] Tokyo, March 23 KYODO—The president of TASS, the official Soviet news agency, scoffed at Japan's territorial claim to four Soviet-held northern islands Friday as a "broken record," saying such challenges to the arrangement concluded at the end of World War II only produce confusion in the world. "We should question whether the situation resembling a broken record playing the same tune over and over again would produce any solution to the issue," Leonid Kravchenko told a press conference at the Japan National Press Club.

Japan's claim to four northern islands off Hokkaido seized by the Soviets immediately after the end of World War II has been a major hurdle in peace treaty negotiations between the two countries. Japan also wants the unconditional return of the islands as a precondition for economic cooperation.

Regarding German unification, Kravchenko warned of great confusion if nations decide to challenge the territorial arrangement concluded at the end of war. "In order to avoid setting a precedent, we should consider the problem between Japan and the Soviet Union in this context," Kravchenko said.

On the volatile situation in Lithuania, Kravchenko dismissed as "childish" Lithuania's declaration of independence 50 years after the Baltic republic was incorporated into the Soviet Union. "To say that Lithuania is not a member of the Soviet federation, in the face of existing second and third generations of non-Lithuanian people who have migrated there from all over the Soviet Union, is childish," he said.

He predicted that the heavily dependent Lithuanian economy would collapse upon its secession from the Soviet umbrella even if Moscow chooses not to intervene.

"The Soviet Union grants to all its republics the freedom to join the Soviet federation and freedom to depart from it, but according to the Soviet constitution," Kravchenko said, adding that Soviet President Mikhail Gorbachev has vowed not to use force to prevent secession.

Kravchenko also said it was inevitable that a presidential system was introduced to ensure that perestroyka reforms will not be turned back in the Soviet Union.

He said severe confrontations between advocates of new and old economic management policies will only result in domestic economic disaster.

Kravchenko arrived in Tokyo at the invitation of the Japanese Foreign Ministry and is staying until March 31.

Exchanges Pave Way for ROK's No Tae-u Visit

OW2403105090 Tokyo KYODO in English 0945 GMT 24 Mar 90

[Text] Tokyo, March 24 KYODO—Japan and South Korea are activating visits by their parliamentarians to pave the way for South Korean President No Tae-u's visit to Japan expected in the first half of this year.

Former Prime Minister Yasuhiro Nakasone visited South Korea Friday for a three-day stay and met No.

Former Prime Minister Noboru Takeshita, chairman of the Japan-South Korea Parliamentarians League, will lead a league delegation to South Korea in mid April.

Another league delegation led by Mutsuki Kato, secretary general of the league and chairman of the ruling Liberal Democratic Party's [LDP] Policy Affairs Research Council, will visit South Korea in late April.

Former Prime Minister Takeo Fukuda will visit South Korea in May.

Kim Young-sam, co-leader of South Korea's ruling Democratic Liberal Party, will visit Japan next Wednesday en route home from a visit to the Soviet Union.

A delegation of South Korea's like parliamentarians league is slated to visit Japan early in April.

The Japanese and South Korean leagues will hold a joint meeting in Seoul late April.

No's Japan visit depends on settlement of the question of the legal status of third-generation Korean residents in Japan, the biggest pending issue between the two countries. Japan and South Korea have held working-level talks on the question but have not yet reached agreement.

South Korea demands, among other things, the right of permanent residence for the third-generation Korean residents in Japan, and abolition of deportation. LDP sources said the two countries must seek political settlement of the issue to realize No's visit to Japan in the first half of this year.

Sources at the South Korean Embassy in Tokyo welcomed active parliamentary exchanges for realizing No's visit to Japan.

Antinuclear Activists Denied Entry to ROK

OW2303200690 Tokyo KYODO in English 1405 GMT 23 Mar 90

[Text] Seoul, March 23 KYODO—South Korean authorities Friday refused entry to two Japanese antinuclear activists on grounds their activities would represent intervention in internal affairs since they intended to appeal against the country's planned atomic power plant construction, YONHAP News Agency said.

YONHAP quoted police in the southern port city of Pusan as saying the two women—Minako Tomita, 26, and Yuko Himeno, 37—were refused entry to South Korea after arriving there on a ferry Friday morning. The two activists, belonging to a Japanese consumers group, were carrying a letter of appeal with the signatures of 1,500 Japanese nationals asking Seoul authorities to stop building two nuclear reactors at Yongkwang Power Plant in southern South Korea, YONHAP said.

The two, who were planning to visit South Korea's electric power authorities next week to appeal against the project, left the country on the ferry for Shimonoseki, western Japan, the report said.

South Korea's antipollution citizens' group in Pusan announced the deportation was "unreasonable persecution against antinuclear movements which are spreading worldwide."

Trade Fair Avoided Due to Militarism Association

OW2603135390 Tokyo KYODO in English 0810 GMT 26 Mar 90

[By Yutaka Negishi]

[Text] Kuala Lumpur, March 26 KYODO—It was an international trade fair with about 400 companies from 28 countries—East and West taking part. But the world's leading trader, Japan, was prominently absent.

Videocassette players and TV sets made by Sony, Sanyo, and Panasonic were at the fair, but were used only to promote the products of participants from other countries.

One fair organizer said, he didn't know why Japan was absent. But there was a good reason for Japan's absence last week from Kuala Lumpur's Putra World Trade Center.

Exhibited were weapons and a wide range of military products, including multibillion dollar, state-of-the-art U.S. warplanes, armored vehicles, steel helmets, rubber gloves, and emergency food. A company spokesman said the food will be supplied to international relief organizations such as the U.N. High Commissioner for Refugees (UNHCR).

Japanese companies were not barred from the second Defense Services Asia Exhibition, but they thought they had better stay away.

"Any association with militarism is certain to damage our corporate image," an executive of a Japanese electronics company here said. "It could be detrimental." He referred to the Japanese public's aversion to the sale of militarily applicable products and weapons.

Another Japanese businessman said, "we have been successfully exporting cars, TV sets, home video systems, and so forth to the world market, and we should concentrate on those, even if we may be also good at making weapons and exporting them."

Japan has maintained a policy virtually banning the export of military hardware. There are no indications that Japan may change the policy, one source said, because it's fully backed by the people. It's good that Japanese companies did not participate in the exhibition, the source added.

The no-arms-export policy is part of Japan's postwar diplomacy, which rejects the use of military force to settle international disputes.

Japanese prime ministers repeatedly have assured Asian countries—some of them Japanese colonies during World War II—that Japan will not again become a military power. Not everyone is convinced, however, and Chinese scholar Ji Guoxing is one of the skeptics.

Speaking at a professional seminar held here in conjunction with the exhibition, Ji, professor at the Shanghai Institute for International Studies, said Japan has been increasing its military spending and added, "we cannot ignore the possibility that Japan may become a military power next century." Based on historical experiences, once Japan's economy is developed, it might take the road of expansion, Ji said. He said many countries in the Asia-Pacific were victims of Japanese aggression and should heighten their vigilance, Ji told an audience of 200 people, including many diplomats and military experts.

Ji also said, "there is the orientation (in Japan) to follow the same old road." He was one of five panelists to speak at the conference on "The Changing Strategic Environment of Pacific Asia."

Government Extends Loan Package to Malaysia

OW2303201490 Tokyo KYODO in English 1216 GMT 23 Mar 90

[Text] Tokyo, March 23 KYODO—Japan agreed Friday to extend a record 61.26 billion yen in low-interest loans to Malaysia to alleviate poverty and expand the Malaysian railway network, Foreign Ministry officials said. The officials said the loan package, the 13th and largest of its kind to be extended by Japan, was formally agreed upon earlier in the day with an exchange of notes between representatives of the two governments in Kuala Lumpur.

The loans from the Overseas Economic Cooperation Fund (OECF), which will carry a 2.9 percent interest rate per annum, are to be repaid over 25 years, including a seven-year grace period, the officials said.

Two thirds of the new loans will be funneled into two separate poverty eradication projects, with a minor portion of their funding to be provided by the World Bank and the Asian Development Bank (ADB).

The first project, to be supervised by the Malaysian Ministry of Land and Regional Development, will target the hardest hit rural regions and involve a number of small operations aimed at modernizing the livelihood of local residents such as road-building and water supply improvement.

The other project will involve poverty eradication and rural development endeavors in the rest of the country. It will be supervised by the Malaysian Ministry of National and Rural Development, the officials said.

The railway improvement project, estimated for completion in three years, will involve the construction of a 150-kilometer-long second track to the current single track around Kuala Lumpur, the setting up of a new signaling system and the purchase of additional diesel cars and carriages. Japan will finance up to 19.44 billion yen to the project.

The volume of the latest loan package, which represents a single year allotment, is in contrast to the last package extended in the summer of 1988, which amounted to some 42 billion yen over a two-year period.

The officials, explaining the sharp rise in the amount of OECF loans to Malaysia, said the country needs a massive infusion of funds. They noted that Malaysia's relatively high per capita gross national product (GNP) in the past inhibited such large-scale OECF funding, with money going to more needy countries.

But that barrier was removed with the decline in Malaysia's per capita GNP as a consequence of the recession it went through in the mid-1980s, they said.

Economic Planning Director Concerned About Yen

OW2703041190 Tokyo KYODO in English 0321 GMT 27 Mar 90

[Text] Tokyo, March 27 KYODO—Economic Planning Agency chief Hideyuki Aizawa said Tuesday he is concerned about the possible impact on prices of the yen's current weakness, but ruled out the possibility of immediate, sharp inflation. The Government will have to keep a close watch on prices, Aizawa told reporters after a regular morning cabinet session.

Aizawa said he has heard some say that Japanese manufacturers are already doing business with a 160-yen to the dollar exchange rate in mind. But Aizawa said the Government is of the view that the yen's current weakness is not good for economic management. He indicated that the Bank of Japan may have been too cautious in the timing of its increase in the official discount rate last week.

He also mentioned a probable difference in view between Japan and the United States on foreign exchange rates in a reference to the Los Angeles talks between Finance Minister Ryutaro Hashimoto and Treasury Secretary Nicholas Brady last weekend. The talks failed to produce any new measure to prevent the yen's decline.

Aizawa questioned whether the United States really thinks the yen's current weakness is inappropriate or bad.

Finance Minister Also Worried

OW2703025290 Tokyo KYODO in English 0158 GMT 27 Mar 90

[Text] Tokyo, March 27 KYODO—Finance Minister Ryutaro Hashimoto said Tuesday that the yen's current weakness in the foreign exchange market is "a source of worry" to him. "The changing political situation of the world such as the unrest in Lithuania is greatly affecting the yen's value," Hashimoto told reporters after a regular meeting of the cabinet.

Asked why the yen continues to sink in the currency market despite assurances of cooperation in his weekend joint statement with U.S. Treasury Secretary Nicholas Brady, Hashimoto said, "Nothing can be judged in such a short period of time."

Supplementary Budget Said Automatically Approved

OW2603141690 Tokyo KYODO in English 1321 GMT 26 Mar 90

[Text] Tokyo, March 26 KYODO—The 5.9 trillion yen supplementary budget was automatically approved Monday night after bringing the Diet to a standstill for two weeks. The budget cleared the Diet after the opposition-controlled House of Councillors voted it down, and its members were unable to reach a compromise agreement with the House of Representatives, which passed the budget last week.

The Constitution gives the lower house precedence in passing the budget in case of disagreement with the upper house. The Diet had been stalled because the ruling Liberal Democratic Party, which has a majority in the powerful House of Representatives, had hoped to pass budget-related bills as a package with the budget but the opposition objected.

Kaifu To Judge Posts Minister's Ethics

OW2303081090 Tokyo KYODO in English 0723 GMT 23 Mar 90

[Text] Tokyo, March 23 KYODO—Prime Minister Toshiki Kaifu said Friday he plans to decide by April whether Posts and Telecommunications Minister Takashi Fukaya has violated ethical guidelines introduced by the ruling Liberal Democratic Party [LDP] in the aftermath of the Recruit scandal. Kaifu made the comment after Fukaya, in testimony Friday before the House of Councillors' Budget Committee, revised earlier statements that he had not received donations from Recruit Co.

Fukaya told the Diet that he continued to receive political donations of 20,000 yen a month for five months after the information conglomerate was revealed in July 1988 as being at the center of a stocks-for-political-favors scandal. The minister said he later returned the funds, which had been automatically transferred into a bank account for political donations.

"Any discrepancies with my previous comments are due to my insufficient explanation, lack of comprehension, and miscommunications with my staff," he said. He did not say when he returned the money.

Fukaya also said in Diet questioning that he received a total of 12.36 million yen in donations and party tickets between 1985 and July 1988.

Last May, after then-Prime Minister Noboru Takeshita announced plans to resign to take responsibility for the scandal, the Liberal Democratic Party introduced a loose set of guidelines advising parliamentarians who received Recruit money or stocks to refrain from accepting party or cabinet posts for about one year.

Kaifu, who was adamant about barring Recruit-tainted politicians from his cabinet, said he plans to confirm Fukaya's testimony before determining whether the cabinet minister has violated the LDP guidelines.

The prime minister denied, however, that he intentionally omitted from his cabinet politicians known to have questionable contacts with Recruit. Kaifu said he selected a cabinet that would be able to resolve domestic and international issues. The Recruit-free cabinet "was the result, it was not my intention from the start," he said in response to a question by opposition Japan Socialist Party member of the House of Councillors Ryoichi Yasutsune.

Former Finance Minister Michio Watanabe and former Foreign Minister Shintaro Abe reportedly pressured Kaifu to include members of their factions implicated in the Recruit scandal in his second cabinet, but Kaifu refused their requests.

His attempt to bar Recruit-tainted Mutsuki Kato from occupying one of the three main LDP posts as head of the decision-making Policy Affairs Research Council was unsuccessful.

Kaifu established his second cabinet on February 28 after his scandal-tainted party managed to maintain a secure majority in the 512-member House of Representatives in elections held on February 18.

Banks Permitted To Give Subordinated Loans

OW2303200790 Tokyo KYODO in English 1430 GMT 23 Mar 90

[Text] Tokyo, March 23 KYODO—The Finance Ministry plans to allow financial institutions to raise funds by taking out subordinated loans in a move designed to help banks to comform with capital adequacy standards set by the Bank for International Settlements (BIS). The move is a response to recommendations by a working panel attached to the Financial System Research Council, an advisory panel to the finance minister, ministry officials said.

Recipients of subordinated loans have less obligations to pay them off than general debtors and funds raised from such loans are defined broadly as capital for borrowers.

The panel recommends banks subject to BIS rules borrow subordinated loans of five years or less from any lenders at regulation-free interest. Proceeds from such loans would be used for any purposes and borrowers could be free from payment obligations when lenders go bankrupt or file for court protection from creditors.

The officials said the recommendations will be carried out pending approval by the committee on March 29.

Japanese banks have asked the ministry to permit them to borrow funds through subordinated loans to comform with the BIS rules, which stipulate internationally active banks maintain risk-weighted capital equivalent to 8 percent of their assets by the end of 1992.

Mongolia

Government Establishes Relations With ROK

OW2703111790 Ulaanbaatar International Service in English 0810 GMT 27 Mar 90

[Text] Mongolia has established diplomatic relations with the Republic of Korea on March 26th. The First Deputy Foreign Minister of Mongolia Yondon and South Korean Defense Minister [title as heard] Yi Ki-chu have held talks in Ulaanbaatar establishing such relations and signed a protocol.

A communique of the Mongolian Foreign Ministry says that diplomatic relations are established basing on the principle of peaceful coexistence and with a view to promoting mutual understanding and extending cooperation in the region, developing the bilateral ties in different spheres.

The Republic of Korea has become the 106th country in the world having diplomatic ties with Mongolia.

Presidium Greets Namibia on Independence

OW2603142790 Ulaanbaatar International Service in English 0910 GMT 22 Mar 90

[Text] The Presidium of the People's Great Hural has sent a congratulatory message to President Sam Nujoma of Namibia on the proclamation of Namibia's independence. Mongolia fully recognizes the sovereignty and independence of the Republic of Namibia and is prepared to establish diplomatic relations with Namibia, says the message. The Presidium of the People's Great Hural expresses the hope that friendly relations between the Mongolian and Namibian peoples will further expand for the sake of the two peoples and in the interests of peace and cooperation among the peoples, notes the telegram.

SFRY Envoy Presents Credentials to Batmonh

OW2603141290 Ulaanbaatar International Service in English 0910 GMT 7 Mar 90

[Text] Ambassador of Yugoslavia Vasilijel Vasiljevic has presented his credentials to Mongolian President Batmonh. During the ceremony the two men exchanged speeches. Vasiljevic noted that political and social economic reforms taking place in the two countries will favor further expansion of the bilateral cooperation, particularly economics. President Batmonh expressed Mongolia's support for the efforts of the Yugoslavian people for developing and strengthening [words indistinct] national unity of Yugoslavia. Mongolia values the solemn political cause of nonaligned Yugoslavia, [words indistinct] order of peace and security, development, and cooperation, noted President Batmonh.

Artists Leave for Moscow Theater Festival

OW2703112290 Ulaanbaatar International Service in English 0810 GMT 27 Mar 90

[Summary] A troupe of Mongolian artists from the State Academic Drama Theater left Ulaanbaatar to attend the festival of theater of the socialist countries in Moscow. "The event will last until April 14."

Hural Presidium Annuls Private Livestock Limits

OW2603142390 Ulaanbaatar International Service in English 0910 GMT 21 Mar 90

[Text] The Presidium of the Mongolian People's Great Hural has passed a decree on annulment of its 1989 decree on limiting the number and species of privately owned livestock of the population which restricted it to 100 heads in Gobi and 75 heads in other areas. The Presidium of the People's Great Hural has committed the Council of Ministers to work out and decide by 1 May 1990 the question on purchase and delivery of meat, hair, and milk to the state from privately owned livestock of the population.

Premier Addresses Closing Session of Presidium

OW2603122890 Ulaanbaatar International Service in English 1100 GMT 26 Mar 90

[Text] Addressing the closing session of the People's Great Hural of Mongolia, Prime Minister Sharabyn Gungaadorj said that structural changes, state-regulated marketing relations are guidelines for improving economy today. He spoke of the implementation of various forms of ownership and (?huge) coproduction and bureaucratic apparatus. He also said every citizen should be offered the possibility to earn a worthy living.

Army To Restore Membership of Repressed Soldiers

OW2603142290 Ulaanbaatar International Service in English 0910 GMT 19 Mar 90

[Text] March the 18th marks the 69th year of the Mongolian People's Army. Speaking at a gala meeting devoted to the event, deputy defense minister of Mongolia, Major General Dorjit, said that the supreme role of the People's Army is to defend the vital interests of the homeland and the Mongolian people, security of the nation, national unity, and [words indistinct] present and future generations.

The 18 March issue of the Army newspaper ULAAN OD, or RED STAR, informs that the Army party committee recognizes that it is imperative to restore the membership in the Mongolian People's Revolutionary Party of a number of servicemen illegally repressed into the personality cult and reformations in the forties and thirties.

State Prosecutor Stresses Defending Human Rights

OW2603140790 Ulaanbaatar International Service in English 0910 GMT 6 Mar 90

[Text] The Office of Prosecutor of the Mongolian People's Republic possesses enough evidence to execute proceedings against the wife of the former Mongolian strongman Tsedenbal [words indistinct] for illegal use of the means of the Mongolian Children's Fund that she had headed for several years. This was announced by the state prosecutor of the Mongolian People's Republic Baljinnyam. He also said that one of the main objects of the prosecutor's office today is to defend human rights.

Social Democratic Party Rejects Soviet Debt

OW2603140990 Ulaanbaatar International Service in English 0910 GMT 7 Mar 90

[Text] Leader of the Social Democratic Party of Mongolia, Mr. Lonbal, has rejected 9.5 billion rubles debt of Mongolia to the Soviet Union. The foundation of this new party was made public at a public rally in Ulaanbaatar on 4 March. According to Lonbal, the Soviet Union buys mutton and beef in Mongolia 2.4 times cheaper, wool and fleece 2.5 to six times cheaper than its domestic prices.

Concerning the joint Mongolian-Soviet [words indistinct] of agreements, plans, and estimates, Mr. Lonbal noted that on the world market one ton of copper concentrates sells for $840, and the ultimate copper costs the Soviet Union [is] 16 times cheaper.

Furthermore, Lonbal noted that until recently, the Soviet Union extracted uranium in the [words indistinct], while the Mongolian side does not have the original, even a copy, of an intergovernmental agreement on concessions. According to Lonbal, provisions of this agreement are an outright violation of international norms of exploitation of uranium deposits and that the question must be submitted for consideration of the international court.

These and other data were exposed by Mr. Lonbal at a 4 March rally organized in Ulaanbaatar by the Mongolian Democratic Association and other informal organizations.

Agricultural Cooperatives Hold Special Congress

OW2603130690 Ulaanbaatar International Service in English 0810 GMT 26 Mar 90

[Text] The Union of Agricultural Cooperatives of Mongolia have held a special congress in Ulaanbaatar with a view to defining new relationship between agricultural cooperatives and state bodies. Debates centered on the ways of ensuring real autonomy of cooperatives and autonomy which could render people really interested in the high-efficiency of cooperatives. Much talk was about purchase prices on the produce of livestock breeding, which remain low. Livestock breeders demand that these should be increased so as to augment real incomes of rural population and improve their standards of living.

Congress Ends

OW2703115290 Ulaanbaatar International Service in English 0810 GMT 27 Mar 90

[Text] This Sunday [25 March] the extraordinary session of the Union of Mongolian Agro Cooperatives has concluded its work.

During the congress, the 450 delegates representing 223,000 livestock breeders and agrarian workers have discussed pressing problems of socioeconomic development of the Mongolian countryside, including the questions of accelerating the formation of an effective economic mechanism in rural production, settlement of relations between cooperatives and state.

The delegates passed the rules of Agro Cooperatives and the rules of the Union of Agro Cooperatives.

The first plenum of the Supreme Council of the Agro Cooperative Union adopted the work plan in 1990. Baasanjab was elected chairman of the Supreme Council of the Agro Cooperative Union.

High-ranking party and state officials attended the congress.

Guidelines for Democratic Women's Union Cited

OW2603142990 Ulaanbaatar International Service in English 0910 GMT 22 Mar 90

[Text] The daily UNEN published for nationwide discussion the basic guidelines of renewal and reorganization of the Mongolian Women's Organization. The guidelines envisage the reorganization of the women's organization into the Democratic Union of Mongolian Women. The union is called upon the guarantee equal rights of Mongolian women in political, economic, social, and spiritual life and express and defend the rights and interests of women and mothers. The union must have the right to legislative initiative and independence and would not be subjugated to any political party, notes the guidelines.

Party of Free Labor To Defend Cooperatives

OW2603142890 Ulaanbaatar International Service in English 0910 GMT 15 Mar 90

[Text] It has been announced in Ulaanbaatar that the first congress of Mongolian cooperatives will be held on 28 March. Today, over 600 cooperatives are reported to be functioning in Mongolia employing about 9,000 people. On 13 March, the initiative group of Ulaanbaatar cooperatives has informed of the formation of the Party of Free Labor called upon to defend the interests of the cooperative movement.

New Public Movement in Education Founded

OW2703115090 Ulaanbaatar International Service in English 0810 GMT 27 Mar 90

[Text] A new public movement, Education and Renewal, is founded in Mongolia. Its aim is to promote democracy and [word indistinct] and the realization of reforms in the sphere of education. The movement organizers are renowned scholars, teachers, officials in the system of education. They highlighted as their top objective restoration of genuine national traditions of teaching and implementing them in the present education sphere.

Author Suggests Mongolian Script Be Adopted

OW2603135190 Ulaanbaatar International Service in English 0810 GMT 26 Mar 90

[Text] The newspaper UNEN, organ of the Mongolian People's Revolutionary Party and Government, takes up the theme of Mongolian traditional script. It was abolished in the forties and replaced by the Cyrillic alphabet. In an article there, vice chairman of the newly founded People's Institute of Mongolian Script Chonas points out that Mongolian script is a bridge between present day Mongols and their cultural heritage and a symbol of our independence. He suggests that Mongolian script be made official script of the Mongolia People's Republic.

Method, Culture Center Commissioned in Capital

OW2703111590 Ulaanbaatar International Service in English 0810 GMT 27 Mar 90

[Text] A new methodical, cultural, and information center was commissioned in Ulaanbaatar. The center has 12 methodical departments which will help teachers raise their qualification and (?teaching) skill and conduct cultural and educational activities among seven [as heard] serving teachers of general educational and secondary educational schools of the country.

Latest Livestock Breeding Statistics Released

OW2603141190 Ulaanbaatar International Service in English 0910 GMT 10 Mar 90

[Text] According to the latest statistics, about 200,000 young livestock have been (?saved) in Mongolia in 99.5 percent of land now (?being saved for lambs). Livestock breeders who are working under the [words indistinct] method are well-prepared for the lamb-delivery campaign and have begun to raise their young animals with insignificant losses. Judging by the indications from provinces, we can say that [words indistinct] without losses is livestock breeders responsibility and initiative.

North Korea

Reaction to 'Virtual Refusal' of Tunnel Inquiry

SK2703103590 Pyongyang KCNA in English 1018 GMT 27 Mar 90

[Text] Kaesong March 27 (KCNA)—Major General Choe Ui-ung, senior member of our side to the Military Armistice Commission [MAC], Tuesday sent a telephone message to the senior member of the U.S. side on the letter from the latter Monday refusing to accept our proposal to make a spot investigation into the socalled "fourth tunnel" and insisting on a secretaries' meeting.

The message said:

In view of its character and content, the "fourth tunnel" incident is a matter to be discussed and settled between the senior members of the two sides. The U.S. side, however, refused to accept our offer to send a large-size fact-finding team and insisted on holding of a secretaries' meeting, while unilaterally publishing distorted reports in this regard. This is, in essence, a virtual refusal of a scientific and all-round spot investigation into the "tunnel" and a base trick to weave a plot to cover up the truth behind the incident by dragging on the time.

If you have the willingness to respond to a large-scale spot investigation, you should appear at a meeting of the MAC and give official answers to our basic demands such as including experts in the fact-finding team, using our four helicopters in the transport of the fact-finding team, guaranteeing the safety of the personnel and means of transport of our side and their free activities and conducting the fact-finding team of our side by yourself, a senior member.

If your side agrees at our proposal, we will discuss practical formalities at a secretaries' meeting any time.

We are in full readiness to send a large-size fact-finding team to make a scientific and all-round investigation into the socalled "fourth tunnel."

ROK's Participation in 'Rimpac-90' Denounced

SK2703080590 Pyongyang Domestic Service in Korean 0024 GMT 27 Mar 90

[NODONG SINMUN 27 March commentary: "A Shameful Shock Brigade for Aggression"]

[Text] The No Tae-u ring recently dispatched a puppet navy flotilla to participate in the "Rimpac-90" joint military exercise, which will be conducted in the Pacific Ocean for 2 months, from 2 April to the end of May, under the command of the U.S. imperialist aggressors. The puppets have announced since last year that they will participate in the "Rimpac-90" military exercise this year, and they have officially put their announcement into practice.

Concerning the "Rimpac-90" joint military exercise conducted by the United States, Canada, Australia, and Japan every other year since the early seventies, it is the product of the U.S. imperialists' reactionary world strategy against socialist forces and their ambition for world domination—it is a dangerous game of fire.

The fact that the South Korean puppets joined this dangerous war rehearsal shows that they are actively participating in the U.S. imperialists' world strategy and antisocialist strategy as a shock brigade.

The seriousness of the problem does not stop there. The "Rimpac" war rehearsal—which is to be conducted by the U.S. imperialists not only with their colossal Armed Forces consisting of their Army, Navy and Air Force, but also with the armed forces of their allies and henchmen countries—and even the puppets—under the pretext that it enhances the capability of combined operations—cannot be separated from the situation on the Korean peninsula.

At present in South Korea the U.S. imperialist aggression troops, who came from U.S. mainland and the Pacific region under the signboard of "Team Spirit," are frenziedly playing with fire, simulating a northward invasion jointly with U.S. troops in South Korea and the puppet armed forces.

While they frenziedly conduct a test nuclear war exercise with their colossal Armed Forces of aggression, which are capable of waging a full-scale war in South Korea, the U.S. imperialists are now bringing forces to the Pacific Ocean under the signboard of "Rimpac." These two developments cannot be regarded as coincidence. This is all the more so when we think of the fact that the countries that participated in the "Rimpac" joint military exercise dispatched mercenary troops during the Korean war under the instigation of the U.S. imperialists and participated in the carnage. We cannot but suspect that the U.S. imperialists, pretending to conduct the "Team Spirit" war rehearsal, may start a war of northward invasion, bringing the additional armed forces of their henchmen countries as they did 40 years ago.

Our Republic is the target of attack in the system for military aggression which the U.S. imperialists have been building in the Asian and Pacific region. This has been demonstrated in various ways in recent years. In the large-scale war rehearsal which the U.S. imperialists conducted last year under the name of "Pacex," the U.S. imperialists brought their allies, henchmen countries, and even puppets into it, and moved the final stage of the game of fire to the waters of the Korean peninsula, where they made frantic maneuvers in the exercise. Facts clearly show that military exercises, such as "Team Spirit," "Rimpac," and "Pacex," are test nuclear war exercises that are conducted under one master plan. This is a dangerous act that brings the clouds of a new nuclear war to the Korean peninsula, as well as to the Asian and Pacific region. This should never be overlooked.

We have consistently called for peace and the peaceful reunification on the Korean peninsula. This year as well we have put forward a new epochal reunification plan proposing to pull down the concrete wall to the south of the Military Demarcation Line and to realize free visits and total openness, and have been making serious efforts to realize this plan. The world opinion now expresses full support for our efforts for peace and peaceful reunification, and looks forward to the elimination of tensions on the Korean peninsula and the Far East and to the creation of an advantageous environment for peace and the peaceful reunification of Korea. At a time like this, the U.S. imperialists are conducting the "Rimpac" game of fire, in addition to the "Team Spirit" war rehearsal. This is a vicious challenge to our people and the people of the Asian and Pacific region.

The No Tae-u ring is actively participating as a shock brigade in the U.S. imperialists' antisocialist strategy, not only in South Korea but outside of South Korea as well, revealing once again the criminal nature of the U.S. imperialists' filthy war servant and of the traitorous group to the nation frenziedly engaged in maneuvers to impose nuclear calamity on the fellow countrymen in collusion with foreign forces.

The U.S. imperialists and their cat's paws who run counter to the worldwide trend of alleviation of tension and dash along the road of nuclear war will not escape from the severe condemnation and rejection of people at home and abroad.

NODONG SINMUN Assails Cheney Remarks

SK2703043890 Pyongyang KCNA in English 0425 GMT 27 Mar 90

["Aggressors Reveal Ulterior Intention"—KCNA headline]

[Text] Pyongyang March 27 (KCNA)—Noting that U.S. President Bush and highly-placed officials of the U.S. State and Defense Departments are disguising themselves as "peaceful mediators," quite often calling for "detente" and "peace," NODONG SINMUN today likens this to an attempt of a wolf to disguise himself as a sheep.

The Korean policy of the U.S. imperialists, the news analyst says, concentrically reveals that they are not a "peaceful mediator" of the regional disputes but warmaniacs who are going on the rampage to ignite a war of aggression, aggravating and complicating the regional situation.

A few days ago, U.S. Defence Secretary Cheney stated that if there is a place on the globe where disputes may expand into a war, it is the Korean peninsula and the U.S. troops must not completely withdraw from South Korea. His statement fully revealed the ulterior intention of the U.S. imperialists to continue their military presence in South Korea and unleash a war against the DPRK.

These days the U.S. imperialists are making desperate efforts to start another war of aggression on the Korean peninsula, frequently staging various war games including the "Team Spirit" manoeuvres.

This shows that there exists on the Korean peninsula the threat of northward invasion, not the threat of southward invasion, and it is none other than the U.S. imperialists who are aggravating the tensions and increasing the danger of war on the Korean peninsula.

If they truly want peace on the Korean peninsula, they must, first of all, rectify their anachronistic Korean policy based on strength and take the road of settling the Korean question in a peaceful way as demanded by us.

To this end, they must stop at once the provocative war game and arms buildup in South Korea directed against us and take measures to withdraw their troops and all the destruction weapons including nuclear weapons from there.

Cuban Ministry Condemns U.S.-ROK Maneuvers

SK2703043090 Pyongyang KCNA in English 0415 GMT 27 Mar 90

[Text] Pyongyang March 27 (KCNA)—The Ministry of Foreign Affairs of Cuba issued a statement denouncing the "Team Spirit 90" joint military exercises of the United States and the South Korean puppets, according to GRANMA March 21.

Cuba which respects the principle and norms of defending independence of other peoples and world peace merges its voice into that of the world in denouncing the military exercises, on the basis of the bonds of firm solidarity and friendship with the Democratic People's Republic of Korea, the statement said, and continued:

Cuba fully supports the desire of the DPRK to achieve a peaceful reunification of the Korean peninsula by means of dialogue and negotiation.

The statement called on the international community, governments and peaceloving people to continue urging the United States and the South Korean authorities to immediately and unconditionally stop military threats and provocative moves which may lead to a large-scale war.

Delegations Leave Pyongyang for Cyprus, Cuba

SK2603105990 Pyongyang KCNA in English 1026 GMT 26 Mar 90

[Text] Pyongyang March 26 (KCNA)—Leaving here today were a DPRK parliamentary group delegation led by Kim Kuk-hun, deputy to the Supreme People's Assembly, to attend the 83rd inter-parliamentary conference slated in Cyprus and a DPRK Government delegation of building-materials industry headed by Chu Yong-hun, minister of building-materials industry to visit Cuba.

Editorial on 'Aggressive Nature' of Israel

SK2603105590 Pyongyang KCNA in English 1022 GMT 26 Mar 90

[Text] Pyongyang March 26 (KCNA)—The fierce scramble for hegemony within the Israeli regime is mainly attributable to its position getting worse owing to the massive uprising of the Palestinian people, says NODONG SINMUN today.

In a signed article analysing the daily worsening political crisis in Israel caused by the factional strife, the paper predicts that frequent domestic quarrels are signs of the doom.

Hard hit by the massive resistance of the Palestinian people which is gaining in scope and strength, the Likud Bloc and the Labour Party clutched at each other's throat in the open scramble for power, laying the blame for the crisis at each other's door, the article remarks.

Noting that the two factions are mainly divided on methods of opposing the Mid-East peace process, the article says the Likud Bloc and the Labour Party are at feud with each other trying hard to improve the image of one's own group and tarnish the other's image and gratify one's own greed for power.

It stresses:

The aggressive nature of Zionist Israel will never change. The two groups maliciously pursue their dominationist design in the Middle East alike with the support and patronage of the United States, their master.

Therefore, there will be no change worth mentioning in the policy of Israel no matter who may take office as prime minister.

Innovation in Rolled Steel Production Noted

SK2703042890 Pyongyang KCNA in English 0412 GMT 27 Mar 90

[Text] Pyongyang March 27 (KCNA)—Korean metal workers are effecting one innovation after another in rolled steel production.

According to figures available at the Ministry of Metal Industry, the iron and steel works of the country have increased the output of rolled steel by 50.5 percent entering this month above the corresponding time of last month.

The Chollima steel complex has registered a 56.6 percent rise in rolled steel output this month as against the same period last year by shortening the period of repairs of equipment by a wide margin and keeping the rolling mills in full-capacity operation.

The Kim Chaek iron and steel complex, a metallurgical giant, has chalked up a 38.7 percent jump in the rolled steel output this month above the same period last month by applying effective technicial innovation proposals to production.

The Songjin steel complex has attained a 35 percent gain in rolled steel output this month above the previous month through a vigorous drive for increased production.

The Hwanghae iron and steel complex, too, is reporting achievements in rolled steel output by operating the equipment in full capacity.

Musan Mining Complex 'Largely Expanded'

SK2603221390 Pyongyang KCNA in English 1501 GMT 26 Mar 90

[Text] Pyongyang March 26 (KCNA)—The Musan mining complex situated in the northern area of Korea is being largely expanded.

Regarding it as an important boost to the growth of iron headings to lengthen the excavating sections, the mine aims at increasing it by 1,700 metres within the first half of the year.

In the first two months of this year, it has removed nearly 2 million tons of overburden and created 600 metres of new excavating sections.

Entering March, it has concentrated rotary deep-boring machines, excavators, heavy-duty lorries and other equipment on the main earth-scraping area, expanding successes.

The capacity-expansion projects of the mine are going on simultaneously at 30 odd places on and under the ground, which involve the construction of dressing plant No. 3.

Dressing plant No. 3 with a total floor space of tens of thousands of square metres will nearly double the dressing capacity of the mine.

Last year 20 odd projects were finished in the main, which included conveyer line No. 5 of the scraped earth conveyers Nos. 4 and 5, ore dropping chutes Nos. 3, 4 and 5 and an ore crushing ground, an indoor settling basin, a ball cast iron shop.

The mine has a vast prospect.

Billions of tons of high degree magnetite are deposited in the Musan area.

The state has sharply increased investment in the mine, planning to lift iron headings production capacity of the Musan mining complex to 10 million tons for the present and 15 million tons in the future.

A powerful construction group has been dispatched and quantities of new excavating equipment supplied there. The equipment sent last year is equal to the capacity of the main excavating equipment which had been operating in the mine.

Editorial Stresses Need To Find More Reserves

SK2603010690 Pyongyang Domestic Service in Korean 0007 GMT 22 Mar 90

[NODONG SINMUN 22 March Editorial: "Let Us Effect an Upsurge in Production by Actively Mobilizing and Utilizing Reserves"]

[Text] In all sectors and units of the national economy today, a struggle to find many more reserves is being vigorously waged in a strained and mobilized manner. This is being done so that the upcoming elections of deputies to the Supreme People's Assembly will be greeted with a high political zeal and brilliant labor exploits. Through the course of this struggle, enormous reserves for increasing production and practicing conservation are pouring out in all plants, enterprises, and cooperative farms throughout the country. This tells us that all of the people have taken the outstanding first step of creating the new proud history of the great revolutionary upsurge of the nineties, upholding the party's intent. We should not slacken this surging spirit. Instead, we should further deepen and develop the work of finding reserves and use them practically and rapidly so that a great upsurge can be brought about in production and construction.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has indicated: Conserving everything to the maximum and further increasing production by finding reserves to the utmost of our capabilities is an important principle that should be adhered to in socialist economic construction.

Actively mobilizing and using reserves by pooling strength and wisdom, by the movement of the entire masses, and, thus, by effecting an upsurge in production is an important requirement when making the already-provided economic foundation prove its worth. Inner reserves are various factors of production which have been left unutilized or have not been effectively utilized in the course of production. It is also possible that such factors can be fully and effectively utilized in the future.

Reserves are to pour forth continuously and increasingly as the economy is developed. The purpose of finding inner reserves is to create more wealth and thereby improve the people's living standard by converting all possibilities into reality. No matter how many reserves we find, if we fail to utilize them effectively, the efforts that we have made in finding them become worthless.

The production course is the course in which people use and consume raw materials and other materials with production machinery. Therefore, only when reserves are put in the course of production and contribute to creating material wealth can the purpose of the mobilization of reserves be achieved.

According to the party's intent, the inner reserves found in plants, enterprises, and cooperative farms are very large in number and varied in kind. Some of these inner reserves are utilized immediately after they are found, but many of them can be utilized in a practical sense, primarily when technology is developed and advanced production methods are introduced. The course of practical use of these inner reserves constitutes precisely the course of effectively utilizing the already-provided economic foundation and making it prove its worth. When reserves are utilized intact in a practical manner, production can be regularized at a higher level, and the party's demands for more production and more construction with the existing facilities, materials, and labor efforts can be thoroughly implemented.

One of the important guarantees that make it possible to fullfill this year's vast struggle goals ahead of schedule and extensively enhance the incomparable superiority of the socialist system of our country lies precisely in finding more reserves and utilizing them in a practical and effective way. Functionaries and the working people in all sectors of the national economy should recognize that the active utilization of reserves is one of the major ways to rapidly increase production without additional investments or with fewer investments. Such utilization epochally promotes the people's living standard. Therefore, people should actively launch into the work of practically utilizing reserves.

What is most important is for everyone to be ideologically mobilized into the work of effecting a upsurge in production by actively mobilizing and utilizing reserves. The work of actively mobilizing and utilizing reserves cannot be realized simply by the strength or wisdom of one or two people. Those who are mobilized to find reserves can achieve their expected result only when they are interested in their practical use.

All party members and the working people should recognize that the work of finding reserves is not a task which is carried out only for a certain period of time. Instead, the work of their practical use should be carried out on a continuing basis, and all party members and working people should be mobilized to find reserves. When we display the spirit of self-reliance and fortitude with the firm ideological determination to glorify the nineties through the struggle for increasing production and practicing conservation, there will be no reserve that cannot be effectively utilized under today's circumstances in which all conditions have been provided.

No task can be properly carried out without properly planning and coordinating organizational work. As experience shows, the work of finding reserves can attain great success only when it is backed up by detailed organizational work, and, likewise, the work of practically utilizing reserves, as well, presupposes elaborate organizational work.

Along with a plan to find reserves, functionaries in all sectors and units should make a great plan to utilize the reserves in a practical manner. They should also go into the lower-echelon masses to find out a way to practically utilize reserves. Functionaries should lead producers, the masses, scientists, and technicians to strengthen creative cooperation. They should clearly present them with tasks to utilize reserves in a practical manner, and they should give priority to supply tasks. At present, functionaries should be models in the work to utilize reserves in a practical way, and they should convert this work into the work of the masses. In addition, functionaries should lead the masses themselves to be masters in carrying out this work.

The reserves, which were found in all sectors and units of the national economy, should naturally be utilized to accelerate production and construction for these sectors and units. However, among those reserves, there can be reserves which cannot be practically utilized at once. Such being the case, the work to properly exchange reserves, which were found in sectors, units, and factories, should be carried out according to the principle of satisfying each other's needs.

In addition, the work—transferring to other sectors and units the reserves which cannot be utilized at once or which are not related to the production of their own sectors and units, and receiving reserves from other units and sectors according to close ties with other units and factories—should be organized by all sectors and units. This work is an important guarantee which makes it possible to accelerate overall socialist economic construction by fully mobilizing and utilizing the possibility of producing more and saving more, and by [words indistinct].

Work to find reserves, as well as work to utilize them in a practical manner, is creative work. Therefore, this work can be vigorously promoted only according to the development of science and technology and according to technological innovation of the masses. All sectors and units should greatly raise demands in the technological revolution and also should vigorously launch a technological innovative campaign of the masses. Therefore, heavy tasks are assigned to scientists and technicians.

All scientists and technicians, bearing in mind high honor and a sense of responsibility in upholding the chuche revolutionary cause with science and technology, should successfully settle problems concerning science and technology which arise in the practical use of reserves. In particular, scientists and technicians should positively participate in stock brigade campaigns, including the 15 April stock brigade campaign for technological innovation, and strengthen creative cooperation between producers and the masses. In this way they should settle at the proper time urgent problems which arise in production and construction and in utilizing reserves.

The masses are masters of technology and creators. Only when the masses are mobilized into carrying out the technological innovation campaign can more reserves be found and can those reserves be effectively utilized for production and construction.

All working people in factories and enterprises, cherishing high honor and consciousness in that they are masters of production and creators of new technology, should actively participate in the technological innovation campaign. In addition, they should work more actively and effectively, and they should make more creative devices and technological innovative plans to conserve labor, facilities, materials, power, and equipment to the maximum.

Raising the role of the party organizations is important in the practical use of reserves. The spirit of our party members and working people, who are turning out in the struggle for producing more and saving more, while upholding the decisions of the 17th plenary session of the Sixth Central Committee, is very high.

Brilliant successes are being made in finding reserves because the party organizations have vigorously aroused the masses to the struggle to implement the decisions of the party plenary session by successfully carrying out the work with the people, that is, the political work.

All party organizations and functionaries, being aware that all depends upon the people's ideology, should continuously launch political propaganda and economic agitation to invoke the people's ideology. In so doing, party organizations and functionaries should lead all party members and working people to actively struggle to find reserves and utilize them practically, with a high sense of obligation and confidence.

Leading functionaries in administrative and economic domains must pay attention to finding reserves. Party organizations and functionaries should also lead them so that they do not neglect the question of practically utilizing reserves and should consistently push ahead with the work regarding reserves. Also, party organizations and functionaries should sum up and evaluate the status of revolutionary tasks of all party members and working people. This should be done according to the level of finding reserves in keeping with today's situation, and according to the level of contributing to the country by practical use of the reserves.

Let us all uphold the New Year address of the great leader and the decisions of the party plenary session. Let us all produce more and construct more through existing labor, existing facilities, and existing equipment by vigorously launching the struggle to produce more and save more.

South Korea

Pak Chol-on Denies 'Disputes' With Kim Yong-sam

SK2703042690 Seoul THE KOREA HERALD in English 27 Mar 90 pp 2, 3

[By correspondent Yi Song-yol]

[Text] Moscow—First State Minister for Political Affairs Pak Chol-on, now on a visit here with Kim Yong-sam, has warned against any hasty expectations on the prospect of Korean-Soviet relations. He said he had heard people in Seoul believe that negotiations on setting up diplomatic relations with the Soviet Union have entered the stage of conclusion.

"But it is not true," the minister said, adding that all he can say at the moment is that the negotiations have made progress to the extent that the two countries can proceed with future negotiations openly. Pak also denied the press report that he and Kim Yong-sam, a co-leader of the Democratic Liberal Party, are in disagreement over many issues in Moscow.

"We may have different views on some points but we have never had disputes," he told reporters Sunday.

Following is a summary of an interview with Pak, who has played a major role in improving relations between Korea and socialist countries as a secret envoy for the last few years.

Question: Can you compare what you feel here in Moscow now and your first impression in 1988?

Answer: When I came here in August 1988 only with an aide, I felt like a pioneer who has to cultivate new land. I visited the Soviet Foreign Ministry through secret contacts and delivered a letter from President No Tae-u to Mikhail Gorbachev. I met about 30 people from the government and the party and discussed our relations with the United States, Japan and north Korea as well as what Koreans feel about the Soviet Union. As a result, they promised me that Gorbachev would be friendly when he talked about Korea during his speech at Krasnoyarsk.

I proposed that Korea and the Soviet Union set up consular relations and exchange trade offices at that time. But I could not reach agreement with Soviet officials on the proposal because of objections from the Soviet side.

The two countries, as a result, later agreed to operate consular departments at their trade offices. There has been no substantial progress thereafter but it is also true that the two countries have become friendlier to each other now.

Q: What did you propose unofficially to the Soviet side this time?

A: I cannot tell you all of the issues at the moment. First, I suggested that the two countries establish diplomatic relations right now. Second, if that is impossible, I offered that the two exchange delegations, headed by ministerial-level officials, to continue negotiations. I also proposed the establishment of the Korea-Soviet Economic Cooperation Committee. I have not had any responses, however.

Q: What is the Korean government's position?

A: We have set a goal of initiating full-scale negotiations at the end of April or early May, exchanging government offices in September and setting up diplomatic relations around year-end or early next year. But the plan faces a stumbling block because of the complex political situation in the Soviet Union.

Q: How do you see the prospects of the negotiation?

A: I heard people in Seoul believe that the negotiations have reached the stage of conclusion. But it is not true. The Soviet side seems to be more relaxed this time and is asking more of the Korean side.

I am neither optimistic nor pessimistic. The Soviets have told me that they would respond to my proposals before I leave here. I may be able to tell something after then. All I can say now is that the negotiations have made progress to the extent that the two sides can proceed with future negotiations in open settings.

Q: Whom did you meet here?

A: I visited the office of the party's Central Committee and delivered a letter from President No to a high-ranking official there. Three officials from each side also met for three hours at that time to discuss pending issues.

Q: Did you meet north Koreans here?

A: The principle that some problems concerning the nation's fate cannot be made public immediately applies here too. I can only say that there have been no noticeable results.

There had been a press report in Seoul that I might have contacts with north Koreans in Moscow before I left Seoul. The press report as well as the wide media coverage of the Kim-Gorbachev meeting seem to have driven north Korea into a difficult position. Our plan to have contacts with north Koreans is not proceeding well because of the north Koreans' nervous reactions. But we are still exerting our best efforts.

Q: Some people think you and Kim Yong-sam are having conflicts here.

A: That's not true. My basic position is to attend and respect him. Kim is placing emphasis on events for promoting friendly relations with the Soviets to induce a friendly mood. His strategy has borne fruit. But I have to deal with practical work. Therefore, there can be differences in our views. But the press report that I had disputes with him is not correct.

Government To Hike Support for Soviet Ventures

SK2403061490 Seoul YONHAP in English 0604 GMT 24 Mar 90

[Text] Seoul, March 24 (YONHAP)—Deputy Prime Minister Yi Sung-yun told a group of visiting Soviet economic officials Saturday that the South Korean Government would step up its support for Korean companies seeking business opportunities in the Soviet Union.

In talks at his office with Vladimir Golanov, chairman of the Soviet-Korean Economic Cooperation Council, and three other council members, Yi said the government will order the Export-Import Bank of Korea to give loans to Korean firms that develop profitable and eligible projects in the Soviet Union. He further said the government will also consider guaranteeing loans obtained abroad for investment in Soviet operations.

The governments of the two countries should conclude accords on investment guarantees and avoidance of double taxation as an indirect way of supporting bilateral economic cooperation, he said. He observed that it will take more time before the two nations realize genuine enhancement of economic cooperation and blamed differences in the economic systems of the two countries for the expected delay in cooperation.

Though the Soviet Union is moving toward a market economy, there still remain differences in the systems of taxation, financing, pricing and commercial transaction that hamper speedy promotion of economic cooperation, Yi said.

"Korea-Soviet relations are evolving into a partnership in the field of economic cooperation and this will contribute to the economic interest and well-being of both countries," said Yi, who is also economic planning minister.

Korean businesses desire to expand cooperation with the Soviets in science and technology, Yi said, expressing his hope to see the two countries sign an agreement on mutual exchanges of science and technology.

Overview of USSR-ROK Economic Cooperation

SK2703040490 Seoul THE KOREA HERALD in English 27 Mar 90 p 6

[By staff reporter Choe Nam-hyon]

[Text] Talks on trade and investment with the Soviet Union are gaining such momentum that they are likely to bear fruit before long. The prospect of Korean companies producing consumer products in the USSR does not sound as remote now as it did a few years back. The Soviet Union is asking Korea to help turn its military industry into a civilian industry.

Some Korean companies are preparing to import advanced technology from the Soviet Union because other nations are not willing to share it with them. A new mood for closer business links between the two nations is emerging from talks between Korean and Soviet businessmen in Seoul.

A 21-member Soviet delegation, which arrived in Seoul last Thursday, attended a joint session of the Korean-Soviet and Soviet-Korean Economic Cooperation Councils Friday. At the council session, the Soviet delegation came up with specific projects for trade and investment.

Igor Faminsky, director of the Soviet Institute for Foreign Economic Relations, proposed that two or more Korean companies form a consortium with Soviet companies when they advance into the Soviet Union. A Korean company exporting commodities and another Korean company importing raw materials can settle payments between them, a means to overcoming the problem of the Soviet currency's inconvertibility, he said.

Korean businesses welcomed the proposal by saying that they would be able to import timber, minerals and other raw materials by selling electronic appliances and other consumer products.

Vladimir Golanov, vice president of the Soviet Chamber of Commerce and Industry, suggested the two nations put Soviet aviation, space and other technology into commercial use.

Yi Myong-pak, chairman of Hyundai Engineering and Construction Co., said the Hyundai Business Group is considering technology imports from the Soviet Union. Other Soviet delegates suggested the joint use of information on Soviet technology and the development of business relations between Korean and Soviet banks.

While the Korea and Soviet delegations were discussing possible areas of economic cooperation at the joint council session, Lucky Development Co. concluded a concrete deal with Izhorsky-Zavod of the Soviet Union and Bechtel of the United States. Under the deal, Lucky will participate in the construction of an electronics factory, a trade center and a housing complex in Leningrad.

Other Korean businesses are preparing to advance to the Soviet Union. The visiting Soviet business delegation has agreed with the Hyundai Business Group on barter trade. Hyundai will export sporting goods, kitchen utensils and textiles in exchange for raw materials for synthetic rubber and aluminum.

Projects the Soviet delegation is discussing with Korean businesses include:
—Hyundai's participation in the project of a building a textile factory near Leningrad,
—The Ssangyong Business Group's joint ventures for the production of electronic products, footwear or other consumer items,
—The Lucky-Goldstar Business Group's joint ventures for the production of soap and wood processing,
—The Samsung Business Group's joint ventures for the production of refrigerators, VCRs and other consumer items.

While business talks are progressing at a fast pace in Seoul, a Korean political delegation is pushing for diplomatic relations in Moscow. Reports coming from Moscow say progress has been made in talks on establishing diplomatic ties. But it is not yet certain which will lead which, but economic and diplomatic relations appear to be interlocked.

Korean companies demand adequate protection of their possible investments in the Soviet Union, which they apprear to believe will follow the opening of formal relations.

Deputy Prime Minister Yi Sung-yun said Korea and the Soviet Union need to sign pacts on investment protection and the avoidance of double taxation when he met with Golanov Saturday.

Yi was quoted as saying, "Our two governments have to create an environment favorable to private investments."

Business Delegation To Leave for USSR in June

SK2703033690 Seoul THE KOREA TIMES in English 27 Mar 90 p 9

[Text] A 15-member Korean business delegation will visit the Soviet Union in early June to promote economic and trade exchanges between the two countries.

Nam Tok-u, chairman of the Korea Foreign Trade Association [KFTA], will lead the mission.

The association said yesterday that Vladimir Golanov, deputy chairman of the Soviet Chamber of Commerce and Industry, officially extended an invitation to a Korean business delegation when he met with Nam at KFTA last Saturday. Golanov is leading a 22-member Soviet business delegation who are here for the second conference of the Korea-USSR Economic Cooperation Council which took place at the Lotte Hotel last Friday.

Among the members of the Korean mission are Chong Se-yong, chairman of the Hyundai group; Pak Yong-hak, chairman of the Dainong group and Kim U-chung, chairman of the Daewoo group.

According to KFTA, they will visit Moscow and the Soviet Far East including the port city of Nakhodka for about two weeks to study the Soviet Market. They will also focus on the selection of Korean products which can be exported to the Soviet Union, while studying the feasibility of using Soviet special economic zones.

The Soviet Union plans to designate some special economic zones in order to attract foreign technology and capital for the development of its backward economy. The Korean delegation will also discuss with Soviet government and business leaders the improvement of the trade environment.

In the meantime, Nam is scheduled to deliver a speech on Korean-Soviet economic and trade relations at Moscow University.

CSSR's Dubcek Interviewed on Bilateral Ties

SK2403014890 Seoul CHUNGANG ILBO in Korean 22 Mar 90 p 3

[Correspondent Kim Tu-u article from Prague on Korean reporters' interview with Alexander Dubcek, chairman of the Federal Assembly of Czechoslovakia]

[Text] In an interview with Korean reporters on 21 March in Prague, Dubcek, chairman of the Federal Assembly of Czechoslovakia, said that "Czechoslovakia has a keen interest in and affection for Korea's democratic progress and economic development."

Dubcek, who led the 1968 "Prague Spring" as first secretary of the Communist Party of Czechoslovakia, indicating that "Czechoslovakia is faced with many obstacles in the course of its recent revolutionary changes," said that the introduction of a multiparty system, rights to private property, and improvement of human rights are the three pressing tasks facing his country.

[Question] Ambassadorial level diplomatic relations were established between Korea and Czechoslovakia on 22 March. How do you foresee the future of the development of relations between the two countries?

[Dubcek] The establishment of diplomatic relations between the two countries will bring about rapid development of bilateral relations. There will be little difficulty in promoting cooperation as the two countries have enjoyed a high level of education and culture. Exchanges have already begun in some areas, and cooperation in the economic and sports sectors is also expected.

[Question] It has been known that democratic development in Czechoslovakia has been made smoothly without any sacrifice. Do you think that this smooth democratic development in Czechoslovakia will continue in the future too?

[Dubcek] In any country there must be bottlenecks in the course of revolutionary changes. It is true that Czechoslovakia is faced with unexpected difficulties in the course of its democratic reforms. However, all of us are making every effort in order not to repeat the failure we experienced in 1968.

[Question] What is the pressing task in the course of reform in Czechoslovakia?

[Dubcek] The pressing task is the introduction of a multiparty system in the political field and the rights to private property in the economic field. It is also important to improve relations with Western countries while promoting human rights. Works are now under way in Czechoslovakia to legislate various laws for the settlement of these tasks.

[Question] Korea, too, was faced with many difficulties in the course of democratization in the past years. Do you, as the leader of the "Prague Spring," have anything to say to the Korean people?

[Dubcek] I would like to express respect to the Korean people for their having achieved democracy. Korea can be a model in the development of Czechoslovakia as it has achieved an economic miracle despite hardships in democratic progress. The two countries are advancing toward the common goal of happiness and freedom. Therefore, there are many rooms for mutual cooperation between the two countries.

[Question] Do you have any plan to visit Korea in the near future?

[Dubcek] I may be able to visit Korea after the elections in June. I extend greetings and respect to the Korean people.

No Friction Seen With U.S. Over Exchange Rate

SK2703101090 Seoul YONHAP in English 1001 GMT 27 Mar 90

[Text] Seoul, March 27 (OANA-YONHAP)—The South Korean won broke the psychologically-important barrier of 700 won to the U.S. dollar Tuesday, sliding 1.50 won to 701 won per dollar after eight consecutive days' depreciation. The last time the dollar was posted above 700 won was on Nov. 3, 1988. The dollar rose 21.40 won (a 3 percent devaluation for the won) from the end of last year and is up 35.10 won (a 5 percent devaluation) from 665.90 won registered on April 22, 1989, when the won peaked against the dollar.

Since the introduction of the new market average exchange system, which replaced the currency basket system March 2, the won has depreciated 7 won against the dollar on the basis of the basic rate. The move was caused by businesses holding on to their foreign currencies, anticipating exchange rate gains after the new Cabinet announces economy-boosting measures, market analysts said. By the end of this month, the rate will have stabilized and then the dollar will begin marching steadily higher again until it hits 710 won on demand for dollars to pay for imports, they said.

"No trade friction with the United States over the exchange rate is foreseeable, because nothing has so far went wrong with the new currency system. The rise in exchange rates was brought about by free market forces," officials at the Bank of Korea said.

In mid-April, the United States will examine the exchange rates of major currencies for signs of manipulation, but Korea is unlikely to be designated a manipulator nation again, they predicted.

Government Denies U.S. Claims on Beef Imports

SK2403080190 Seoul YONHAP in English 0728 GMT 24 Mar 90

[Text] Seoul, March 24 (YONHAP)—South Korea on Saturday denied U.S. claims that it agreed in talks last week in Washington to fully open its beef market by July 1997. A spokesman for the Agriculture, Forestry and Fisheries Ministry denied that Korea fixed the date for full opening of its beef market at July 1997 during beef talks that ended Wednesday.

After the talks, Korean officials said Washington had dropped its demand that Seoul present a timetable for the opening of its beef market by July 1997 and Korea had agreed to raise its beef import quotas. Washington contends, however, that Seoul promised to liberalize beef imports by July 1997.

The spokesman said Korea's agreement to respect the ruling by the balance of payments committee of the General Agreement on Tariffs and Trade (GATT) does not mean full liberalization of Korea's beef market by July 1997. He said the two countries will negotiate the timing of full liberalizaton in the future. The two sides also agreed to form a joint inspection team by May 1, 1991, to look into the Korean livestock industry, which Korea says is still vulnerable to imports, he said.

Trade Deficit Said To 'Erode' Economic Base

SK2703041290 Seoul THE KOREA TIMES in English 27 Mar 90 p 9

[From the "News in Review" column by assistant economic editor Kim Chom-tong: "Measures Required To Keep Rising Imports in Check"]

[Text] No sign seems to be in sight for the improvement of the international balance of payment situation. What makes things more gloomy is that pessimism over business prospects for the first quarter of this year is at its worst level since 1985 among enterprises.

An interim report by the Trade-Industry Ministry puts trade a total of $889.7 million in the red during the first 20 days of this month, bringing the combined trade deficit since the turn of this year to $2,162 million.

The business survey index [BSI], which indicates major industrial psychology, plunged to a five-year low of 59.7, slightly over half of BSI 100 that represents the same level as in the previous period. BSI 100 or higher means optimism is prevailing.

What makes the matter serious is that the trade deficit and low industrial psychology indicator appear to be deteriorating despite the slow depreciation of the won against the U.S. dollar and the stable wage situation.

The present import trend is not on the issue to be left intact. Imports are currently centered on consumption products and expensive, luxurious foreign goods. Imports roared up 13.7 percent during the first two months of this year. But imports of raw materials and products for use for goods to be exported rose only 1.6 percent, compared with a 21.3 percent increase in imports for domestic consumption.

In non-trade fields, expenditure by Koreans abroad is greater than spending by foreigners visiting the nation due mainly to the increasing number of overseas travellers and to wasteful use of money abroad.

If this trend continues, the nation is likely to suffer again from yearly trade deficits after four years of trade surpluses.

The new economic team in the Cabinet is working on measures to positively push export drives with a belief that high economic growth and welfare society will be almost impossible without stimulating exports.

It is of course necessary to give incentives to industries and trading firms and invigorate exports. But the point is that quantitative support to exporting companies only for the sake of an export boost will hardly attain the target as in the past. On the contrary, any indiscriminate export-boosting measures would be sufficient to generate concern and retaliatory actions by trading partners, especially by the Western economies.

The most urgent task is to effectively keep the ever-rising imports in check. The nation's major general trading firms, including Samsung Co., Hyosung Corp. Daewoo, Ssangyong and Sunkyong Ltd., put the emphasis on imports in an effort to fill their deficits in exports with profits from imports.

If the increasing imports are left uncontrolled under the excuse of open market policy and internationalization, red figure trade deficits will expand and domestic industries will shrink further.

The people who earn easy money and the rich will be tempted to buy the deluxe foreign goods flooding the department stores and shopping centers and so fuel the spending spree. These will erode the foundation of the nation's economy in the long run.

'Real Name' Financial System Plan May Be Nixed

SK2403004690 Seoul THE KOREA TIMES in English 24 Mar 90 p 1

[Text] The government appears to have decided to shelve a plan to make compulsory use of real names in financial transactions, fearing serious ill effects of its implementation, which was slated for early next year. Deputy Premier-Economic Planning Minister Yi Sung-yun strongly hinted at that the plan would be postponed after consultations with Rep. Kim Yong-hwan, chief policymaker of the ruling Democratic Liberal Party [DLP] and his deputies yesterday.

"The plan to introduce a 'real name' system is designed to expose the flow of money in black markets to help realize economic justice. But, we don't necessarily have to stick to this means alone to realize the goal. Alternatives are under study," said the newly appointed top economic policymaker.

Deputy Premier Yi, a lawmaker of the ruling party, said that the implementation of the plan would bring about serious adverse effects at a time when the national economy is on a downswing.

"I have already made up my mind about the question. However, the details have yet to be decided," Yi said.

He said that there was no dispute between the party and the administration over the matter during the consultations today. "Chief policymaker Kim Yong-hwan called upon the administration to make a decision very carefully because it is too important a question," said Yi.

Many incoming members of the opposition, have raised objections to the postponement of the implementation of the real name system. Senior officials from the administration and the DLP are believed to have agreed in principle during the consultation to postpone the introduction of real name in financial transactions.

As if backing up the speculation, Kim Yong-hwan said, "The system is part of a middle- or long-term plan. But now, rather heavy taxes should be imposed on unearned income through the financial transaction by the use of pseudo-names."

Deputy Premier Yi said that the government will announce a package of measures to boost the sagging economy soon, reminding that President No ordered the newly-appointed economic ministers to do so by the end of this month. How the government will deal with the plan on real name financial transactions will also be included in the package of economy-boosting measures, said Yi.

All economic indicators show that the national economy is in serious condition. The GNP growth rate fell to 6.5 percent in 1989 after three years of double-digit growth, and the balance of account in the first quarter of this year is estimated to tumble into red ink, according to a report field by the Economic Planning Board.

Reporter on Complaints About Economic Policy

SK2603111290 Seoul CHOSON ILBO in Korean 24 Mar 90 p 2

[Article by Pyon Yong-sik, assistant manager of the economic department of CHOSON ILBO, from the "Reporter's Memo Book" column]

[Text] The United States has criticized the ROK Government about the economy-boosting measures formulated by the economic team of the new Cabinet. U.S. Government and business circles are reported to have openly complained—through unofficial sources—to the ROK Government that if the ROK Government attempts to increase exports by giving exporters the same financial and taxation benefits it did before, it will be implementing an "unfair trade policy." They also said that if low-priced, government-subsidized ROK goods come pouring into the United States, they will not tolerate it. Furthermore, some figures on the U.S. side reportedly complained about the recent ROK Government's Cabinet reshuffle, in which those ministers who satisfactorily carried out trade talks with the United States had to leave.

Hearing this news, we feel that the world has changed much. It is no longer a time when the ROK can do anything it pleases, paying little attention to other countries as it did in the sixties and seventies. We now can hardly implement any economic policy properly, let alone political or human rights policies, without being conscious of our trading partners.

Under the circumstances, where the international economic environment is undergoing a significant change, chances are increasing that the economic policy of a country will become an object of immediate interest and criticism by its trading partners or competitors. In the era of the global community, in which the market is regarded as more important than national territory, and in which information is regarded as more powerful than military strength, narrowly focused ideas or policies are unworkable. Therefore, it is natural that the United States, the largest market for ROK goods, should take an interest in and make assertions about the ROK's economic policy, and that the ROK Government should take care in order not to be criticized by its trading partners for employing unfair trading methods.

However, the Americans were excessive when they complained about the ROK Government's Cabinet reshuffle. This may have originated from the wrong concept of some Americans, who still regard the ROK as they did 20 or 30 years ago, making little of the Korean people. The Americans should begin to seriously think of the reasons why there is a somewhat deepening anti-U.S. sentiment among ROK intellectuals. If the Americans fail to adapt themselves to the rapid changes of the times, they themselves will suffer disgrace.

We ourselves have a problem, too. If our government had worked vigorously and quietly to enhance the competitiveness of our industry, it would not have had to invite the criticism at home and abroad that the ROK is employing an unfair policy. The ROK Government has a habit of loudly setting up some so-called comprehensive policy only after it has been cornered in a difficult economic condition, like a student who does not usually study, and then suddenly crams a few days before the examination.

The government failed to take appropriate measures when necessary, and now it is making a fuss setting up economic measures in a hurry, thereby inviting chances for external economic friction. We hope that this will be the last time we hear of "comprehensive economic measures."

* New Military Structure To Take Effect in July

902C0112A Seoul CHOSON ILBO in Korean
16 Jan 90 p 16

[Article by Kim Hyo-chae: "The First Unified Command for Three Services in History, Expected To Lay the Groundwork for Transfer of Operational Control"]

[Text] Chances are great that the most sweeping reorganization of the military structure since the founding of the ROK Armed Forces will take place during the first half of the year.

No Objection Anticipated From Three Opposition Parties

Concerning the bill to revise the law on the organization of the Armed Forces which the Defense Ministry is expected to reintroduce in the extraordinary session of the National Assembly in February, President No Tae-u and NDRP [New Democratic Republican Party] President Kim Chong-pil last week agreed to cooperate for the passage of the bill. PPD [Party for Peace and Democracy] President Kim Tae-chung and RDP [Reunification Democratic Party] President Kim Yong-sam, who strongly opposed the bill when it was introduced for the first time in the regular session of the National Assembly last year, reportedly raised no objection to the need for military restructuring during their separate summit meetings with the president at the Blue House. As a result, the inauguration of the Defense General Staff (DGS) slated for 1 July has become a certainty.

Needless to say, the PPD and the RDP have yet to go through the process of changing their official party views. But, concerned Defense Ministry officials see no great difficulty in the passage of the bill because the misgivings about the excessive concentration of power on the DGS chief, the main reason for the objection of these two parties, were considerably removed at the closing stage of deliberation on the bill during the last session. The original Defense Ministry draft provides not only that the chief of the DGS has the operational control of each service, but also that when the chief of staff of each service is appointed, the appointment process should go through the chief of the DGS. This would allow him to intervene in the appointment to a certain degree. This provision drew a storm of opposition even from within the military. As a result, this provision was struck out altogether. However, the Defense Ministry is expected to find some way for the chief of the DGS to have a say in the appointment of his staff members.

If the bill to revise the Armed Forces Organization Law passes the extraordinary National Assembly Session in February as expected by the Defense Ministry, the government has to speed up the work of organizing the DGS so that all preparations for its inauguration can be completed by the end of June.

Defense Ministry Functions To Be Reduced

In this process, with the dissolution of the Joint Chiefs of Staff (JCS), most of JCS functions currently under the jurisdiction of the Minister of National Defense will be absorbed by the DGS. The Operations, Strategic Planning, Communications & Electronics bureaus of the JCS will be renamed and reorganized as the Operational Headquarters, the Strategic Planning Headquarters, and the Command and Electronics Office of the DGS respectively. In addition, the Weapons Systems Bureau, the Armament Control Office, the Planning and Coordination Office will be absorbed and integrated into the DGS contingency functions, such as those of the Combat Readiness Inspection Office and the Support Headquarters of the DGS. The functions of the Defense Ministry and the Army, Navy, and Air Force also will either be reduced or absorbed by the DGS in part.

The Defense Intelligence Agency directly under the jurisdiction of the defense minister will be reorganized as the Intelligence Headquarters of the DGS, and the Intelligence Headquarters and the Psychological Warfare Bureau of the Army Headquarters will be absorbed into the Civilian Psychological Warfare Headquarters of the DGS. A Defense Ministry source anticipates that both the number of personnel and the functions of the Army Headquarters will be reduced by 30 percent.

The significance of the creation of the DGS lies not in these structural changes but in the creation of a powerful command system which will exercise a unified control over the three services for the first time in the military history of Korea. During the Korean war, then President Syngman Rhee turned over the operational control of the ROK Armed Forces to the commander in chief of the UN Command in Korea in what may be considered a disgraceful action for a sovereign state. Since then the ROK Armed Forces have been forced to maintain a deformed operational control structure. The forthcoming restructuring of the ROK Armed Forces will pave the groundwork for eliminating this deformity.

Needless to say, the change in the structure and the line of command of the ROK Armed Forces will not bring about an immediate change in the command system because the operational control of the ROK Armed Forces still remains in the hands of the commander in chief of the UN Forces in Korea. But considering the fact that the question of withdrawing U.S. forces from Korea has become an open issue, military experts are in agreement that the independent operational control of the ROK Armed Forces by the ROK military itself is a matter of time.

Misgivings About Impediment to Democracy

During his press conference for Defense Ministry reporters in late last year, Gen. Louis Menetrey, commander in chief of the U.S. Forces in Korea and concurrently commander in chief of the UN Forces in Korea, stated that whenever the ROK Government proposes to discuss the question of transferring the operational control of the ROK Armed Forces, he would be ready to respond.

An airtight command system purely in terms of military operations will inevitably signify a strong concentration of power in the military. Precisely for this reason, the opposition parties, from a political point of view, are suspicious of the restructuring plan, fearing that it may have stemmed from an attempt to undermine the civilian control of the military.

Particularly, under the circumstances in which chances for the debut of a civilian-controlled government are greater than ever before, there are persistent fears that an excessive concentration of power in the military could undermine the process of democracy.

Yi Chong-ku Favored as First DGS Chief

In this regard, concerned Defense Ministry officials maintain that the creation of the DGS will not run counter to the civilian control of the military because the DGS chief, literally, as the chief of staff for the defense minister, will have a unified command and control of only the military whose duty it is to fight, with the right of personnel administration remaining in the hands of the defense minister. No matter how hard military officials may try to put a narrow interpretation of the powers of the DGS chief, it is quite obvious that the authority of the highest military officer in control of the chiefs of staff of the three services is bound to be more powerful than the commander of any ROK military organization ever created.

Paradoxically, this makes it rather convincing that the greater the authority of the DGS, the more aloof he becomes from political influence. The emergence of a president with a civilian background and a defense minister with a civilian background seems to be a certainty in the long run, and if each time the reins of government change hands, the new government shakes up the military, it will only bring about uneasiness among the military, entailing political confusion.

In this sense, the following statement made by Gen. Yi Chong-ku, the incumbent army chief of staff, immediately after the assumption of his current post is worthy of attention in speculating about the future place of the military in relation to politics. He said: "In the future the military will only be faithful to its intrinsic duties working silently, looking forward like an ox grinding the millstone." Yi Chong-ku is a favorite candidate for the post of the first DGS chief. Needless to say, this statement was predicated upon self-reflection on the part of the military with regard to its shortcomings pointed out by the public, including the criticisms about the regional preference in the appointment of general officers, open criticisms against specific politicians, and the attempts of political-minded officers to exercise their influence.

PPD To Be Cautious in Waging Street Protests

SK2403005290 Seoul THE KOREA TIMES in English 24 Mar 90 p 2

[By staff reporter Kim Sung-pok]

[Text] The Party for Peace and Democracy [PPD] is going to test the ground for survival in the new political soil overturned through the reshaping of the political structure in January.

The opposition party will take up its old-type weapon of "out-of-House" struggles to protest the merger of three parties into the giant governing Democratic Liberal Party [DLP] dominating the 299-seat National Assembly with 217 lawmakers. It will organize an outdoor rally in Puchon, Kyonggi-to next Saturday which will be followed by another protest assemblage in Taejon April 1. The PPD will continue sponsoring rallies until shortly before the next extra session of the House, probably to be convened in June as the DLP plans, to stir up anti-government sentiments.

The out-of-the-blue alliance of parties led by President No Tae-u and erstwhile opposition leaders Kim Yong-sam and Kim Chong-pil Jan. 22 made the PPD headed by Kim Tae-chung realize that it has no one to turn to. The PPD also is seeking to spread the anti-merger feelings among the people by kicking off a nationwide campaign to gather signatures. The goal is to collect signatures from 10 million people.

The PPD's ostensible aim is to pressure the ruling camp to accept its demand to dissolve the House for a snap parliamentary election. With the proposal, the PPD seems to be confident in winning the election so as to break what it called the "collaboration" among the three parties. But, it is another matter whether it really wants to dissolve the House or just make a sort of gesture toward the people.

Through the street campaign, the opposition party is expected to pass the buck to the DLP for the failure in the negotiations on the revision bill for local autonomy which had been originally agreed to be implemented during the first half of this year.

However, the PPD is showing many signs of cautiousness in mounting the street struggles. Apparently, it does not wish to look a radical force. It believes that extreme struggles are surely to backfire now that the voters are sick and tired of "street combat" with tear gas an firebombs flying in all diversions.

Announcing the party decision to go to the streets last week, PPD spokesman Kim Tae-sik tried to tone down the significance of the PPD's struggles, saying, "The planned struggle is different from that of fights on asphalt in the past."

He attempted to preempt the possibility of his party's decision being ill used by the ruling camp noting, "During the recess of the House, we have no other choice in struggles against the ruling camp."

The PPD also drew a clear line between the alliance with dissident forces in staging the street struggle, saying that the campaign will be pursued on its own. It showed the limits of the PPD's movement. The PPD had originally scheduled to launch the rallies from today in Taejon but rescheduled it to March 31 in Puchon.

In mounting political offensives, the PPD has some built-in problems. It seems not to have found any good solution to take off from its current status as a "regional" party representing Cholla provinces, the power base of Kim Tae-chung. On top of this, the PPD faces difficulties taking the lead of integrating all opposition forces since a group of dissidents declared that they will promote the creation of a progressive party standing for the masses.

Besides this, some opposition lawmakers led by Rep. Yi Ki-taek are in the process of founding an opposition group tentatively named the Democratic Party [DP]. The DP is demanding that Kim Tae-chung, along with two other former opposition leaders Kim Yong-sam and Kim Chong-pil, resign.

The disintegration of the opposition front is a pain in the neck for the PPD as it has no effective way to check the mammoth ruling DLP.

Education Minister on Curbing Campus Activism

SK2403005890 Seoul THE KOREA TIMES in English 24 Mar 90 p 3

[Text] Education Minister Chong Won-sik, meeting university administration officials yesterday, urged inter-school efforts to curb violent campus activism.

Minister Chong, who got the nickname "Iron-First" for punching down the outlawed National Teachers' Union last year, pledged that this year will mark a turning point in restoring campus peace.

In a meeting with chiefs of academic and student affairs at 35 colleges and universities based in Seoul and Kyonggi province, the minister asked school officials and faculty members to do their best so as to keep ivory towers from becoming violent protest sites.

"Thanks to the concentrated effort by school authorities," the minister pointed there have been fewer on-campus demonstrations this year than last year.

The number of protests by student activists has drastically fallen these days and moderate student leaders are gaining a wide popularity from general students, he said.

"The prestige of academians should not be destroyed by radical students any longer," he urged.

Students Protest Tuition Hikes at Universities

SK2403003390 Seoul THE KOREA HERALD in English 24 Mar 90 p 3

[Text] The annual student protests over tuition hikes have spread to more than 10 universities and colleges this week, plaguing classes and school administration.

Protest rallies took place in at least 13 schools across the country yesterday with students at five of them staging sit-ins. The Ministry of Education reported those hit hardest by the wave of protests include Songkyunkwan, Chungang, Hanyang and Tongtok Women's universities.

About 500 Tongtok students have been occupying the offices of the president and foundation chairman since Thursday after holding protest rally in which they also decided to boycott classes for two days. The Tongtok students demanded school authorities guarantee their participation in fixing the tuition growth rate and that the school foundation invest more money. The students' move came after the school's administration issued tuition bills which charged school fees that rose 11.8-17.7 percent over the previous year.

Students at other schools are taking up the tuition issue with similar slogans, according to Education Ministry officials.

"Unlike the past two years, students are not sticking to a unilateral tuition freeze," a ministry official said. This year, students instead call for the school foundation to shoulder more of the burden in the budget and guarantee their participation in determining the increase rate, he said.

Students at Chungang University have been claiming that the school foundation put into the budget just 2.5 billion won of the 4.5 billion won it promised last year. Students charge that school foundations scarcely invest their own money, which imposes a larger financial burden on students and parents. About 80 to 90 percent of each private university's budget comes from students' tuition on a national average.

Education officials also said radical students are using the tuition disputes in their attempt to tune up for "political struggles" in the coming months.

Student Activists Plan Reunification Movement

SK2603085090 Seoul CHUNGANG ILBO in Korean 26 Mar 90 p 18

[Text] Student activists, including those of the National Council of University Student Representatives [Chondaehyop] and the Seoul District Federation of General Student Associations [Sochongnyon], have decided to launch in June of this year a "1990 national reunification struggle" that includes a grand North-South cross country march, and the planning of a large-scale visit to the North, in collaboration with dissident organizations including the National Democratic Alliance of Korea [Chonminnyon]. Thus, the campuses are showing signs of another "whirlwind of reunification."

Such a move for joint struggle with the dissident organizations by the students was revealed during meetings of Sochongnyon's deputies, which were held in four districts in the Seoul area on 24 March.

The students also plan to have 1,000 departments of universities and colleges across the country, and 100 dissident organizations under Chonminnyon, simultaneously make a request for permission for North-South exchanges on three dates: on 10 June, which symbolizes the rally of 10 June 1987; on 7 July—the day of President No Tae-u's declaration for North-South exchanges; and on 20 July.

After requesting permission for the exchanges, the students plan to launch a grand North-South cross country march, inviting overseas compatriots. Accordingly, discord between students and the government is anticipated.

In addition, Chondaehyop plans to form committees on 19 April that will push ahead with exchanges between the students of the North and the South in each university department, as well as its own committee for the exchanges.

Chondaehyop stated that "up to now, the anti-U.S. movement for independence and national reunification has been carried out only by a small number of people, including students. Thus, in order to overcome this phenomenon, it has been decided to change the method of the movement by realizing the need for encouraging all classes to participate in the movement, and to continuously raise the issues."

Paper Analyzes Recent Labor-Student Movement

SK2503055090 Seoul CHOSON ILBO in Korean 22 Mar 90 p 3

[Editorial: "Recent Worker-Student Movement"]

[Text] The greater flexibility and efficiency the social system and political circles have, the less influence will be exercised by the radical movement waged by dissident organizations. This is because the majority of participants do not feel the necessity of waging such a militant movement.

This is shown by a recent instance in which six trade unions in Masan-Changnyong district seceded from the Masan-Changnyong regional chapter of the workers' movement, which is under the control of the National Council of Labor Movement [NCLM]. These trade unions stressed that they decided to again join the Federation of Korean Trade Unions [FKTU] as its subordinate members because they dislike the "consistent political and ideological struggle" waged by the NCLM.

In fact, the absolute majority of workers participated in trade union activities for the purpose of achieving a better life with higher wages and more welfare benefits. However, some "pregressive intellectuals" claim that "the labor movement should be turned into a social reform movement in order to overturn the production system itself instead of trying to get a bit higher wages."

However, such a labor movement, which is similar to politically oriented and ideology-pursuing movements designed for social reform, failed to concentrate its efforts on meeting the demands of blue-collar workers for practically upgrading their living standard. The move of a number of regional trade unions under the control of the NCLM to secede from the NCLM reflects such feelings by the workers.

Meanwhile, as for the student movement, student associations of major universities in the southeastern area recently declared their secession from the National Council of University Student Representatives, following the previous instance of student associations of universities in North Chungchong Province.

Some people condemn a series of such phenomenon, noting that this trend is prompted by some conspiracy. However, we are opposed to such an indiscriminate definition.

We may point out that the secession of these organizations from the labor movement and student movement has been prompted by the fact that the moderate reformers broke away from the ranks of the radical reform movement. This attracts our attention in view of the healthiness of the social system and political circles.

Needless to say, a sound social movement is desired for the constant democratization of the social system and political circles through the promotion of their morality and for enhancing their efficiency. However, such a social movement should take pursuance of the liberal democratic system and the liberal enterprise system as a precondition. It should also seek reasonable and peaceful reform.

We hope that the labor movement and student movement now promptly get out from such turmoil as seen in the transitional period and pursue gradual progressiveness and reform.

On the other hand, the organizations within the political system should strive to demonstrate their flexibility and will for reform to constantly expand their morality and efficiency.

Labor Ministry Refuses To Recognize Trade Union

SK2503035090 Seoul THE KOREA HERALD in English 25 Mar 90 p 3

[Text] Political considerations might have influenced the Labor Ministry's refusal to recognize a trade union inside a conservative labor organization, specialists said yesterday. The Labor Ministry says that it would not recognize the formation of a trade union at the Federation of Korean Trade Unions (FKTU).

In response to a question by the Seoul City government over the issue, the ministry ruled Friday that creating a labor union within the FKTU, also considered a separate union unit, is against Article 3 of the Trade Unions Law which bans obstruction of normal operations of existing trade unions.

"It is feared to have an impact on the course of FKTU's activities," the ministry said.

Officials of credit unions or consumers' cooperative affiliated with existing trade unions would be allowed to form independent trade unions since they have nothing to do with the labor activism directly, however, the ministry added.

Kim Kom-su, chairman of the Korea Labor Education Association, contended that the article is irrelevant to the FKTU staffers' move for creating a trade union. They should be given the right to form a trade union in view of the fact that employees working with labor organizations are free to do so in foreign countries, he maintained.

Yi Kwang-taek, a researcher at the Korea Labor Institute under the umbrella of the ministry, claimed that FKTU officials' formation of a trade union should be taken for granted because they maintain a "subordinate" relationship with the labor organization.

On Feb. 22 six people, all working at the FKTU's counselling centers, submitted documents to the Yongdungpo Ward Office to obtain permission on the formation of a trade union. The ward office refused to issue such permission on the ground that the FKTU staffers failed to get approval by their relevant higher labor organization, the National United Workers' Federation, a standard practice for opening trade unions. The staff members of the labor counseling offices are operated with government fund granted by the ministry, officials said.

Burma

Parties Warned About Fund-Raising Activities

BK2603145790 Rangoon Domestic Service in Burmese 1330 GMT 26 Mar 90

[Text] Since 1000 on 24 March 1990, several political parties have been erecting signs at the bus stop in front of MYANMA ALIN newspaper in Bahan Township, Yangon [Rangoon] Division, and opening stalls to sell traditional cold drinks to the commuting public, supposedly in order to raise funds for the fire victims of Tamwe Township.

Political parties should not be engaging in such fund-raising activities supposedly for the fire victims. Since it is not right to mix political and social activities, these activities should be stopped immediately. If they wish to raise funds for the fire victims, they should be collecting only from their own members according to arrangements made within their own party. The present fund-raising activities are tantamount to causing problems for the commuting public. Since the collection of funds is a breach of the law, action will be taken against responsible officials of the political parties concerned. This being the case, fund-raising activities should be halted immediately; legal action will be taken if they continue.

Citizens' Meeting Addresses Refugee Problem

OW2503072890 Tokyo KYODO in English 1451 GMT 24 Mar 90

[Text] Tokyo, March 24 KYODO—University professors, journalists, and religious activists joined a citizens' meeting Saturday urging greater attention be given to Myanmar [Burma] where they said tens of thousands have fled to Thailand after the military crushed a prodemocracy movement in 1988.

Members of the Tokyo-based Japan Sotoshu Relief Committee, a Buddhist group aiding Indochinese refugees in Thai camps over the past 11 years, called for moral suppert and cash assistance to some 38,000 refugees from Myanmar, most of whom are Mon, Karen and other tribal villagers. They are fleeing government troops in the long "internal war" between autonomy-seeking minorities' guerrillas and government troops attempting to crush the movement since shortly after Burma's (now Myanmar) independence from Britain in 1948, they said. Members said refugees include some 2,300 former students, the main force in the 1988 prodemocracy rising, who fled to mountainous border areas to escape persecution by the government. The group's president, Buddhist priest Zendo Matsunaga, said the group intends to join the Bangkok-based consortium, an international volunteer organization aiding Myanmar refugees by distributing emergency food and other supplies to border area evacuees. Students and other civilians stood up against the then ruling Ne Win government in 1988 demanding democratic freedoms but they were suppressed by General Saw Maung's government which took power in a military coup in September that year. Gen. Maung promised an election would be held on May 17 this year, but announced various restrictions. Detained popular opposition leader Aung San Suu Kyi was not allowed to run as a candidate.

In the meeting, Teruko Saito, an associate professor at Tokyo University of Foreign Studies, quoted Gen. Maung's recent statement that "so far 28,000 government troops were killed and 40,000 seriously injured, and several times more on the 'rebels' side" in the fighting between the government and tribal forces. She was concerned about possible full-fledged resumption of Japan's Official Development Assistance (ODA) to the Myanmar Government which Tokyo had suspended after the 1988 coup but resumed in part in February 1989. Saito said Japan's large tied loans party caused Myanmar's serious foreign currency shortage, rather than increasing the country's exports. Saito once worked as researcher at the Japanese Embassy in Yangon (formerly Rangoon). Those attending the meeting said that Japan should not extend ODA to a nation which holds down its people by military power.

Annual Battle Report Given on Kachin State

BK2403123290 Rangoon Domestic Service in Burmese 1330 GMT 23 Mar 90

[Excerpts] The Defense Services together with the people launched "Operation Thurain Tun" against the insurgents in the Kachin State in the Northern Military Command. Eight major battles and 281 small-scale battles were fought during the operation between 21 March 1989 and 22 March 1990. [passage omitted] During major and small-scale battles fought in the Northern Military Command between 21 March 1989 and 22 March 1990, 165 insurgents were killed, 48 were captured, and 99 surrendered; 89 assorted weapons, including one 60-mm mortar, 13 heavy weapon ammunition, 13,307 rounds of light weapon ammunition, 93 magazines, 95 assorted mines, 55 assorted hand grenades, 935 assorted slabs of explosives, one communications set, one walkie-talkie, one generator, one television set, one movie projector, two electric generators, three video machines, one elephant, six horses, 3.62 kg of heroin, 79.4 viss [one viss equals 1.6 kg] of opium, 4,785.60 viss of jade, and 29,058 kyat in cash were seized.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Returns, Calls Thai Visit Successful

BK2503135290 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 25 Mar 90

[Excerpt] The two-day visit to Phatthaya by Prime Minister Dr. Mahathir Mohamed was considered as successful in resolving certain issues. Dr. Mahathir said

Thailand had agreed to allow Malaysia to utilize its port facilities while Malaysia will provide the necessary facilities to Thailand for exporting goods to Singapore. Dr. Mahathir was also briefed on the establishment of a neutral refugee camp for Cambodians. The camp will house refugees who are currently under the supervision of the border control authorities. The two countries have also agreed on several other issues.

[Begin recording] [Mahathir] Concerning the joint development authority to exploit gas resources in the Malaysia-Thailand border, we have reached an agreement yesterday [24 March], even though we did not conclude any initial agreement due to certain technical problems. But this was resolved last night and we will sign the agreement when a comprehensive draft on the agreement has been completed. We have a problem of having an identical television frequency between north Malaysia and southern Thailand. This is due to their stronger transmitter and, as a result, our receivers in the north cannot receive our own broadcasts but only Thai programs. They have made an inexpensive technical proposal which will not require the changing of any antenna. They will also provide technical and financial cooperation in connection with the necessary changes. [end recording] [passage omitted]

The executive jet carrying the prime minister's delegation flew to the TUDM [Royal Malaysian Air Force] base at Sungai Besi about 5.30 P.M. this evening. Datin Sri Dr. Siti Hasmah was among those on hand to welcome the prime minister.

PRC Role in Solving Cambodian Problem Viewed

BK2103103990 Kuala Lumpur International Service in English 0800 GMT 21 Mar 90

[Station commentary]

[Text] The five permanent members of the UN Security Council have once more managed to arrive at a consensus regarding the future of Cambodia.

It will not be easy to translate their considered decisions and viewpoints into realistic modes for firm government. However, it can be said that the present position is a considerable improvement over the previous one. It should be recalled here that until very recently, there was a stalemate between the Soviet Union and China. Moscow stood by the Vietnam and Hun Sen regime in Phnom Penh. China, on the other hand, regarded the Khmer Rouge faction as its ally. With the withdrawal of Vietnamese troops, Moscow does not have the same need to take a pro-Hun Sen posture.

Moreover, as vast political changes sweep across Eastern Europe, the old ideological obsessions have lost their relevance. With China, it is not yet so clear-cut. Until very recently, it was obvious that China was rendering all the possible aid and arms supplies to the dreaded Pol Pot or Khmer Rouge faction. That is why most observers keep repeating that the key to peace in Cambodia is in Beijing. If it can put a complete stop to material aid for the Khmer Rouge, that group will lose its clout. It may be forced to come to terms with the other factions.

One factor that gives some hope for a change of policy on the part of Beijing is the present grim economic situation. From reports that have been emerging, everyone believes that China is confronted by many complex economic problems. It may decide to wind up its commitment to Cambodia.

Vietnam is already making some headway with economic reforms. It is now described as an awakening market. It is reported they are showing clear signs of economic recovery. A number of business firms have signed contracts in Vietnam for joint ventures. The net effect of these rather sudden and promising developments is that Vietnam could easily become China's rival for foreign investments. China has yet to overcome its ghastly image after the Tiananmen Square tragedy.

Therefore, Cambodia remains the best diplomatic stage for China to commence a show of cooperation and magnanimity. After all, it is in the UN Security Council and its various sessions that China has the opportunity to win recognition as a superpower. By sacrificing the Khmer Rouge, Beijing would be assisting in the emergence of a government more in harmony with the wishes of the Cambodian people. A strong and viable Cambodian economy will also be a counterweight to the growing strength of Vietnam.

If the five permanent members of the UN Security Council can agree on the modalities for the interim UN administration for Cambodia, it would be yet another step closer to the goal of peace in Cambodia. A well-entrenched UN civilian administration and a peace-keeping force could provide the requisites for stability. The impact on the Cambodian people could be very positive.

The ASEAN community looks forward to more progress in the matter of Cambodian self-determination.

King, Mahathir Greet Gorbachev Election

BK2503083890 Kuala Lumpur International Service in English 0600 GMT 25 Mar 90

[Text] His Majesty the King Sultan Azlan Shah has sent a congratulatory message to Mr. Mikhail Gorbachev on his election as the Soviet Union executive president. In his message, His Majesty said Malaysia has long enjoyed friendly and cordial relations with the Soviet Union and it is Malaysia's desire that these relations be further enhanced.

Prime Minister Datuk Sri Dr Mahathir Mohamed, who also sent a similar message to the Soviet leader, said he is confident that under Mr. Gorbachev's dynamic leadership, the Soviet Union will move forward to a new era of prosperity and progress. In his message, he said the changes that Mr. Gorbachev had introduced already had a positive influence on international affairs and on world peace and stability. He said it had opened up new avenues for cooperation not only between the Soviet Union and Malaysia, but also between the Soviet Union and the Southeast Asian region.

The prime minister said Malaysia was ready to work with the Soviet Union to seize new opportunities for cooperation to further strengthen relations in the years ahead.

Mahathir Receives Visit From Fidel Ramos

BK2103132590 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 21 Mar 90

[Text] Prime Minister Datuk Sri Dr Mahathir Mohamed received a courtesy call from Philippine Defense Minister General Fidel Ramos at his office in Kuala Lumpur today. Gen Ramos is now in Kuala Lumpur to attend the four-day 1990 Asian Defense Conference and Exhibition at the Putera World Trade Center, which was opened by Prime Minister Mahathir last night and attended by more than 400 companies, including those from Malaysia.

The Philippines, Singapore, Indonesia, and Brunei Darussalam are the ASEAN countries taking part in the exhibition.

Commentary Reaffirms Commitment to ZOPFAN

BK2303144390 Kuala Lumpur International Service in English 0800 GMT 23 Mar 90

[Station commentary]

[Text] Malaysia remains committed to establishing a zone of peace, freedom, and neutrality—ZOPFAN—in Southeast Asia. Prime Minister Datuk Sri Dr Mahathir Mohamed, in reiterating this, said the region must be kept away from any superpower rivalry. This is important to ensure development and progress in the region. The people of this region must keep in mind that any action which is not in support of ZOPFAN will prevent it from achieving development. At the same time, it will provide an excuse for outside involvement in the region. In the final analysis, if this is allowed to happen, it will threaten the region's security. It is encouraging to note that Malaysia and other ASEAN members have pledged to continue striving for the realization of ZOPFAN. Alone, it will be difficult to maintain peace in the region, but together much progress can be made in working toward a nuclear-free zone in this region.

Given Malaysia's stand, its holding of the defense exhibition should not be misinterpreted. It is not an indication of the country embarking on an arms buildup. To achieve ZOPFAN, it is important that there are no upgrading [words indistinct]. The ZOPFAN concept must go hand in hand with the phasing out of foreign military bases existing in the region. As far as Malaysia is concerned, its plans to modernize its armed forces do not run counter to ZOPFAN. Its acquisition of new equipment is aimed at ensuring its own future defense. It cannot depend forever on its friends for assistance. Efforts to acquire modern weapons are aimed at enhancing the country's self-reliance in defense.

The early realization of ZOPFAN will continue to be the cornerstone of ASEAN's political and diplomatic strategy in the future. This is, no doubt, not an easy task, but currently ASEAN lacks the power to deter any real or imaginary external force. With this, ASEAN needs to continue working toward promoting peace, prosperity, and stability in the region. ASEAN is also well aware that Southeast Asia continues to be an important area of interest to the big powers. In view of this, ASEAN is working hard to arrive at a comprehensive solution to the Kampuchean conflict. ASEAN's role then would be to play a moderating influence in international politics. It needs to exercise its diplomatic position and skills to help resolve regional conflicts. To date, the ASEAN members have demonstrated their solidarity in working toward the common goal. ASEAN's cooperation has been the key to the survival of the region. However, what is said and done for the commitment to a goal is not tested by words alone. It is therefore clear that more work needs to be done to make the ZOPFAN concept a reality. Despite the many differences of opinions, ASEAN members are in accord on general principles. Based on this experience, ASEAN can engage to make progress in the ideal. The creation of ZOPFAN can be attained in the true spirit of solidarity that ASEAN has shown so far.

Defense Radar Units To Be Purchased From UK

BK2303151290 Kuala Lumpur NEW STRAITS TIMES in English 22 Mar 90 p 3

[Excerpt] Kuala Lumpur, Wednesday [21 March]—Malaysia has agreed to purchase two Marconi Martello long-range air defence radar units and their support systems. The payment will include counter trade.

The contract believed to be worth more than $500 million [Malaysian ringgit] also involves upgrading one of the three existing S600 Marconi air defense radar units for Sabah and Sarawak. The purchase is part of the $4.5 billion-arms package with Britain.

Marconi Radar Projects Resident Manager for Malaysia Adrian A. Kirk, who confirmed this today, however, did not know how much of the payment would be in counter trade. He was unaware of the contract price for the radar as this was negotiated by another division of the GEC-Marconi group.

Mr. Kirk told reporters at the Defence Services Asia 90 Exhibition at the Putra Trade World Centre that the first radar and its support system would be installed in June 1992. "The second unit will be fixed six months later," he said.

Late last year, Malaysia signed a contract with GEC-Marconi Limited for the radar units but the details, including the number of units purchased were not available.

"Malaysia's first air defence radar units were the S600's of the 60's. In the early 80's, the RMAF [Royal Malaysian Air Force] bought the Hughes air defence radar system to form the backbone of the Malaysian air defence ground equipment (Madge). [passage omitted]

Government To Deport Illegal Immigrants in Sabah

BK2203123990 Kuala Lumpur BERNAMA in English 1052 GMT 22 Mar 90

[Text] Kuala Lumpur, March 22 (OANA-BERNAMA)—Malaysia will deport illegal immigrants in Sabah to their respective countries of origin, Prime Minister Dr Mahathir Mohamed said Thursday [22 March]. In the process, he said the government would try to be as humane as possible in minimising their hardship, he told reporters in Genting Highlands, a hill resort outside the federal capital.

"We will determine those to be deported and see that they are deported," he said in response to questions from reporters after a meeting with senior government officers.

He was asked to comment on concern expressed by Sabah Deputy Chief Minister Joseph Kurup Wednesday over the threat to the state's social, economic, and political aspects posed by the presence of Filipino and Indonesian illegal immigrants in Sabah. Dr Mahathir said deporting the illegal immigrants was not an easy task. He said the problem of illegal immigrants in Sabah was difficult to resolve, more so when those already deported came back.

Foreign Minister Returns From Swaziland 24 Mar

BK2403113290 Kuala Lumpur BERNAMA in English 0857 GMT 24 Mar 90

[Text] Kuala Lumpur, March 24 (OANA-BERNAMA)—Malaysia has urged Black African countries to begin enhancing mutual economic cooperation to meet the new challenges that will arise following political changes in southern Africa.

Malaysian Foreign Minister Abu Hassan Omar said events in South Africa would give rise to an economic imperative in the continent similar to that in Europe following the dramatic political and economic upheavals in Eastern Europe. He said that as old barriers melted away in Eastern Europe, a corresponding shift in the interests of Western countries and the direction of their capital investments would also follow.

"We cannot afford to stand idle as Eastern Europe opens its doors and Western Europe comes closer to fulfilling its commitment to form a single European market in 1992," he said in Swaziland Friday [24 March] at a luncheon hosted by his counterpart Sir George M. Mamba.

Abu Hassan is on an official visit to Swaziland after attending Namibia's independence day celebrations recently.

Abu Hassan said that in wake of these changes in Europe and South Africa, it was urgent for developing countries to increase cooperation particularly through the concept of South-South cooperation. "We face an economic imperative to strengthen our economic resilience and cooperate with one another to prepare for such an eventuality," he added.

For Black African countries, he said, it was necessary that they enhance and strengthen their economies to avoid being swamped or relegated to an "economic backyard" of a powerful industrialised South Africa.

Abu Hassan earlier held discussions with Sir George on a wide range of bilateral issues and also followed up on the areas of cooperation discussed between Malaysian Prime Minister Dr Mahathir Mohamed and Swaziland's king, Mswati III, at last October's Commonwealth summit here.

Mohamed Yunus Takes Over as Air Force Chief

BK2003125990 Kuala Lumpur NEW STRAITS TIMES in English 19 Mar 90 p 3

[Excerpt] Kuala Lumpur, Sunday [18 March]—Royal Malaysian Air Force [RMAF] Chief Lt. Gen. [Lieutenant General] Tan Sri Mohamed Ngah Said has officially retired after handing over the post to Maj. Gen. [Major General] Datuk Mohamed Yunus Tasi in Sungai Besi today.

Tan Sri Mohamed, who is 52 today, took the salute from a farewell parade mounted by 27 officers and 301 men of the RMAF regiment and a flight past of 19 helicopters and jets before the brief handing-over ceremony. [passage omitted]

CPM Members Begin Removing Mines Along Border

BK2003014790 Bangkok THE NATION in English 20 Mar 90 p 2

[By Prayut Siwayawirot]

[Text] Songkhla—Members of the now-defunct Communist Party of Malaya [CPM] have begun retrieving their landmines on Malaysian soil near the Thai border as part of a peace agreement signed last December, Thai military sources said yesterday. The mine clearing was being witnessed by Chin Peng, who led the CPM in its 40 year rebellion against the Malaysian government.

The former insurgents destroyed their weapons in February and the landmines planted along strategic border areas were the last to be eliminated.

The military sources said the former CPM members have destroyed 1,116 rifles, more than 80,00 rounds of ammunition, 418 hand grenades, 25 anti-tank rockets and 635 kgs of explosives.

The peace agreement, signed by Kuala Lumpur and the CPM, and witnessed by the Thai military, required the communist party to dissolve itself to pave the way for resettling its members. About 400 of the 1,100 CPM members have expressed a desire to return to Malaysia. The outlawed movement had for years operated from southern Thai jungles.

The sources said Chin Peng, who has lived mostly in China for the past 20 years, will decide soon whether he will return to his homeland.

Singapore

Australian Defense Chief on Regional Defense

BK2003103590 Singapore THE STRAITS TIMES in English 17 Mar 90 p 25

[By Dominic Nathan]

[Excerpt] Despite improvements in Superpower relations and a general easing of tensions worldwide, it was still premature for countries in the region to change their defence postures. Making this observation on the size and ability of defence forces in the region, the visiting Chief of the Australian Defence Force, General [Gen] P.C. Gration said: "The defence posture and hence the defence spending of regional countries was not predicated on the superpower confrontation."

Gen Gration, who was speaking at a press conference at the Australian High Commission yesterday, noted that the positive developments in global situation, although welcome, did not have a direct impact on regional security.

Considering the possibility of a withdrawal of United States forces from the Philippines, Gen Gration said that there was increasing uncertainty in the region over this, which could make regional issues and tensions more prominent.

He said that although Australia hoped for a continued US presence in the Philippines, his country was strongly committed to the region's defence, regardless of developments in the Philippines. This was because "we view Australia's security as very much tied up with the security of the region".

Gen Gration pointed out that the practical demonstration of this commitment was the deployment of two or three Australian navy ships in this region at any one time, and one aircraft squadron for between six and eight weeks in Malaysia. Australia's commitment to the Five Power Defence Arrangements (FPDA) was also part of its involvement in the region, he said.

The FPDA was signed by Australia, New Zealand, Britain, Malaysia and Singapore in 1971 to provide multilateral consultation in case of an external threat to Singapore and Malaysia.

Gen Gration is here to view the progress of a major four-day air defence exercise, held under the FPDA, which ended yesterday.

Asked how Australia viewed Singapore's offer to host some US forces, Gen Gration said that it was a welcome initiative, as a continuing US presence in the region was an important contribution to regional security and stability. He noted that it did not impinge on the FPDA, as it was a bilateral arrangement between Singapore and the US. [passage omitted]

'Mysterious' Deaths of Thai Workers Reported

BK1903114990 Singapore THE STRAITS TIMES in English 18 Mar 90 p 1

[By Serena Toh]

[Excerpts] The Health Ministry revealed yesterday that about 200 young Thai workers here have mysteriously died in their sleep over the last seven years. The ministry's revelation followed recent reports by THE STRAITS TIMES of a number of these unexplained deaths. The cause of the deaths is still being investigated, but some believe it was linked to the use of PVC [polyvinyl chloride] pipes by Thai workers to cook rice.

In a statement yesterday, the ministry said it first noticed the deaths in 1983 and since then, the number has averaged about 20 a year. A source said the figure in 1983 was 13, but has risen to 30 last year. [passage omitted]

The ministry said they were either found dead in the morning or had collapsed in the middle of the night after having difficulty breathing. While post-mortems suggested heart failure, no cause has been found for this, even after analysis of the stomach contents, blood, urine, and organs. [passage omitted]

The Health Ministry statement made no reference to PVC pipes. Some local doctors say they believe the deaths may not be due to the use of PVC pipes.

Singapore is not the only place where the mysterious killer has struck. When the Health Ministry sought the advice of the Centre for Disease Control at Atlanta, United States, it was told of similar cases of sudden deaths among Southeast Asian refugees which have been noted since 1981. Such deaths were not common among Americans. [passage omitted]

Cambodia

VONADK Commends Victory in Kompong Thom

BK2703092390 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 26 Mar 90

["Commendation to cadres, combatants, and people on the Stoung-Kompong Svay battlefield, Kompong Thom Province;" signed by the National Army of Democratic Kampuchea High Command, dated 26 March—read by announcer]

[Text] I. For the past nearly three months—January, February, and March 1990—comrades-in-arms, cadres, combatants, and people on the Stoung-Kompong Svay battlefield in Kompong Thom Province have launched offensives against the Vietnamese enemy and its puppets and lackeys, and have scored fine results:

1. The comrades-in-arms repeatedly attacked and liberated 13 communes in Stoung and Kompong Svay Districts;
2. Repeatedly attacked and liberated 72 villages in 13 communes;
3. Liberated 180,000 of our people—that is 45,000 families or households—and
4. Liberated and controlled a majority of the area above and below National Route 6. This enabled the comrades-in-arms on this battlefield to put a great deal of pressure on the Vietnamese enemy and puppets on both sides of National Route 6, and on the road.
5. The comrades-in-arms have cut off National Route 6 for over five months now, from Prey Pras river north of Kompong Thom town to the Kompong Thom-Siem Reap border, a stretch of nearly 50 km.

These results have enabled the comrades-in-arms:

1. To have a large liberated zone: plains and rice fields in the upper part and plains, rice fields, and flooded areas in the lower part. These areas are rich in both paddy and fish.
2. To have the people as a political, defense, and mighty force to implement the policies of construction and of not doing three things in order to attack and put constant pressure on the Vietnamese enemy and its puppets and lackeys.
3. To have many communications possibilities due to the large, populated area.

The victories cited above are significant in the sense that many villages and communes, a great deal of territory, and many people, economic activities, and communications channels have been liberated. These are basic, comprehensive victories, particularly the liberation of villages and people, which are the most important basic force for consolidating and further expanding the victories.

II. For this reason, the National Army of Democratic Kampuchea [NADK] High Command expresses warm and intense admiration for the exploits of the comrades-in-arms, cadres, combatants, and people on the Stoung-Kompong Svay battlefield.

III. The NADK High Command would also like to note on this occasion that the Sihanoukist National Army [ANS] shares a large part of the comrades-in-arms' victory. The comrades-in-arms' forces in Stoung and Kompong Svay have correctly implemented the policies of great national unity and of Cambodian national liberation, and have cooperated well and closely with nationalist forces—namely, the ANS—that are also fighting the Vietnamese enemy and its puppets and lackeys. It is this unity and good cooperation with all nationalist forces that is the basis of such victories. The comrades-in-arms should continue to implement well and correctly the policy of great national unity and do so with greater efficiency; they should share good and bad times in the struggle against the Hanoi Vietnamese aggressors and their puppets and lackeys until Cambodia has been completely liberated; and they should continue to unite after liberating the country.

IV. The comrades-in-arms' great victories are the result of a correct, rigorous implementation of political and military policies. That is, the comrades-in-arms have followed principles and tactics to fight the enemy:

1. Politically: Use politics as the basis—rely on the people's force and successively implement the policy of not doing three things. In particular, the comrades-in-arms knew how to eliminate two and build four by a step, to continue to eliminate two, and successively consolidate four and expand four. This strengthened and expanded the forces, which are constantly expanding and being further consolidated.

2. The comrades-in-arms knew how to use semi-military forces resourcefully. With the battlefield located far from ammunition supplies, the comrades-in-arms knew how to economize and save ammunition and how to use ammunition semi-militarily, both in the Armed Forces and among the people. The comrades-in-arms did not wait until the arrival of abundant ammunition supplies to start fighting the Hanoi Vietnamese aggressors and their puppets and lackeys. The comrades-in-arms knew how to use the army and the people's forces semi-militarily in cooperation with the political force of the people, who implement the policies of not doing three things and of building three things, to launch repeated offensives against the state authorities of the Vietnamese enemy. The comrades-in-arms knew how to rally these forces and have the advantage over the enemy, how to increase the advantage to attack the Vietnamese enemy's state authorities in villages, and how to constantly increase these forces to continue attacking the enemy.

3. The comrades-in-arms also knew how to use military factors creatively in combination with political factors and semi-military factors. Ammunition was not plentiful, but the comrades-in-arms managed to implement the principle of gathering together and splitting apart,

and vice versa, to attack the enemy. The comrades-in-arms knew how to gather their Armed Forces, in large enough amounts and sufficiently armed, to cooperate with semi-military forces and the people's forces in launching medium-sized attacks. Included in these activities were attacks to cut bridges and National Route 6 and attacks against commune positions, platoon, company, and battalion positions and district seat positions of the Vietnamese enemy and its puppets and lackeys. These attacks successively scored good results.

V. The comrades-in-arms have scored good results, pleasing the cadres, combatants, and people on their own battlefield. These results also please our national resistance forces, people, and friends throughout the world.

However, comrades-in-arms, you should consider these great victories as only preliminary. You should, on the one hand, preserve these great gains and further expand them on your battlefield, and on the other, you should continue cooperating with our national resistance forces, people, and friends throughout the world to fight the Vietnamese enemy and puppets and lackeys and thwart their maneuvers until the Hanoi Vietnamese enemy aggressors agree to end their war of aggression and occupation in Cambodia by withdrawing all of their forces from Cambodia under genuine UN control, and until the Cambodian people genuinely enjoy their right to self-determination.

[Signed] The NADK High Command
[Dated] 26 March 1990

Rally Marks 35th Lao Party Founding Anniversary

BK2203134490 Phnom Penh Domestic Service in Cambodian 0430 GMT 22 Mar 90

[Text] On the morning of 22 March at the Basak auditorium, the committee for organizing national and international festivities of the United Front for National Construction and Defense [KUFNCD], with the cooperation of the Foreign Ministry, organized a solemn rally to mark the 35th founding anniversary of the brotherly Lao People's Revolutionary Party [LPRP], which was created on 22 March 1955.

Present in the presidium, were, among the others, Comrades Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] and chairman of the State Council; Mat Ly, member the KPRP Central Committee Political Bureau, vice-chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; General Tie Banh, member of the KPRP Central Committee Political Bureau, vice-chairman of the Council of Ministers, and defense minister; Ros Chhun, member of the KPRP Central Committee and secretary general of the KUFNCD National Council; and Sam Sundoeun, member of the KPRP Central Committee and first secretary of the Kampuchean People's Revolutionary Youth Union. Comrade Phuonsavat Thongsoukkhoun, Lao ambassador to Cambodia, also attended the gathering.

Honorary guests at the meeting were members of the KPRP Central Committee; members and alternate members of the KPRP; ministers and their deputies; directors general and their deputies; cadres, staff, and workers from the central services; representatives of the Cambodian People's Armed Forces; and various ethnic minority groups. Ambassadors, charges d'affaires, advisers, representatives from friendly embassies to Cambodia, representatives of international organizations on mission in Cambodia, and a great many Cambodian residents living abroad also participated in the ceremony.

After hearing the national anthems of the two countries and paying tribute to the souls of the cadres, party members, male and female combatants, and people who have died for the cause of the nation and motherland, Comrade General Secretary Heng Samrin gave a speech, saying, for the most part: Since its creation, the LPRP has led the Lao people in their struggle against colonialism and imperialism to wrest back independence, freedom, and national unity. Now it continues to rebuild the country toward social prosperity. In the past, the Lao people, under the leadership of the LPRP, have assiduously conducted the struggle to defend and rebuild the country and to prosper in all fields. Comrade Heng Samrin added that in observing the resolutions of the Fourth LPRP Congress, reform measures have been taken to further promote the country's development, and the successes achieved by the Lao party and people have significantly raised the image of the Lao People's Democratic Republic in the international arena. The general secretary said in conclusion that the Cambodian party, government, and people enthusiastically welcome the achievements that the heroic Lao people have scored in the defense and construction of their country.

Heng Samrin Speaks

BK2303103890 Phnom Penh Domestic Service in Cambodian 1300 GMT 22 Mar 90

[Speech by Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party Central Committee and chairman of the State of Cambodia Council of State, at 22 March Phnom Penh meeting marking the Lao Peoples' Revolutionary Party's 35th founding anniversary—recorded]

[Text] Over the past more than three decades since its founding on 22 March 1955, while courageously continuing the cause of revolutionary struggle handed down by its predecessor—namely, the Indochinese Communist Party organized and founded by President Ho Chi Minh—the Lao People's Revolutionary Party [LPRP] has led the multitudinous Lao nationalities in fighting through all kinds of difficulties, tests, and trials against French colonialism, Japanese fascism, U.S. imperialism, and both domestic and foreign reactionary forces, winning one great victory after another. After achieving national independence and democratic rights and freedom, it has led the people in defending and rebuilding the country, enabling it to develop and advance steadily toward social stability. All the great all-around victories and achievements obtained by the Lao party and people of various nationalities over the past years have further strengthened and heightened the vitality and prestige of the Lao People's Democratic Republic [LPDR], greatly contributing to the revolutionary cause of our three Indochinese countries as well as peace, stability, and cooperation in Southeast Asia and the world.

Our Cambodian party, government, and people are overjoyed to note that for the past 35 years, especially over the past few years, although the situation in the region and the world was undergoing most complex changes and the situation at home was experiencing a hard time, the LPDR has continued to make relentless progress. Through the pursuit of a foreign policy of peace, independence, sovereignty, and peaceful coexistence and the firm maintenance of the bonds of militant solidarity and friendship in its relations with the rest of Indochina and other foreign countries advocated by the Lao party and government, and through the development and consolidation of better relations with the peoples of neighboring countries and countries throughout the world, the prestige and position of the LPDR have soared far and wide in the international arena.

The Cambodian party, government, and people enthusiastically congratulate the Lao people for winning one victory after another in all fields of national reconstruction and defense. The Lao party, government, and people have spared no efforts to support the just cause of the Cambodian people, actively contributing to the search for a fair and reasonable political solution to the Cambodian problem, a solution that would conform with the prevailing conditions of present-day Cambodia on the basis of respect for the Cambodian people's right to self-determination and prevention of the genocidal Pol Pot clique from returning to power in Cambodia. We enthusiastically support the seven-point proposal calling for the transformation of Southeast Asia into a zone of peace, friendship, and cooperation. We support all goodwill proposals and stances of the LPDR in normalizing the Lao-Thai and Lao-Chinese relations, which constitutes an important contribution to reducing regional tension and confrontation aimed at bringing about peaceful coexistence in relations among all states in the region and the world.

Dear comrades and friends: Along with the great achievements obtained over the past more than 11 years by the parties, governments, and peoples of the two countries on the Indochinese peninsula—namely, fraternal Laos and Vietnam—our Cambodian party, government, and people have overcome many complex difficulties and won many brilliant successes. Most outstanding among these successes is the success of the resolute struggle against all types of enemies to prevent the return to Cambodia by the genocidal Pol Pot regime and the on-going efforts to bring a rapid all-around recovery to Cambodian society. The main victories of the Cambodian revolution in 1989 and during the first few months of 1990—among others, the successful celebration of the 11th anniversary of the 7 January National Day, the ninth and 10th plenums of the party Central Committee, and particularly the resounding battle victories won by our Armed Forces and people throughout the country, especially on the western battlefields of the motherland following the complete pullout of the Vietnamese volunteer troops, victories which crushed in time the large-scale military adventures of the three reactionary Khmer groups—have brought the identity of the State of Cambodia to new heights both at home and on the international stage to the great benefit of our people's just cause.

Taking the opportunity of this most solemn occasion, on behalf of the party, government, and front and in my own name, I would like to extend greetings and admiration with sincere affection and esteem to the Cambodian combatants and people throughout the country who out of their pure sense of patriotism have actively contributed to the cause of the motherland and the happiness of our people. The more we can defend and add to the gains of the national society as we are doing now, the more we are reminded of the traditions of struggle and close solidarity of our three nations—Cambodia, Vietnam, and Laos—traditions regularly fostered, taught, and enhanced by the Indochinese Communist Party and that have become the law of stability and development of each country. The Kampuchean People's Revolutionary Party [KPRP] pledges to continue incessantly promoting the bonds of military solidarity between the Cambodian people and the Vietnamese and Lao peoples in the struggle for independence and freedom of each nation and people.

It is true that the three groups of enemies have made great efforts to fan the flames of war on the Cambodian battlefields and to continue shedding the people's blood and causing greater havoc to the country. However, their activities have failed to obstruct the advance of the Cambodian national society. The political, economic, social, and cultural lives in general continue to make steady progress. Not only have we been able to ensure societal stability and improve the military and security situation, but we also have focused on enhancing the people's faith in the regime of our State of Cambodia in every conceivable form. Political reforms and economic liberalization are creating conditions for the lives in the national society to undergo positive changes.

As a result of the new economic policies as well as the diligence of our peasants, this year's rice crops have proved to be much better than the previous year's. Our peasantry is enthusiastically selling surplus rice to the state. Economic production and handicraft units have developed in many, more advanced forms and have made pride-inspiring initial successes. The educational, cultural, social, and health sectors have also experienced changes in line with the liberalization policy of the party and state. Foreign investments, though not yet as intensive and abundant as we would prefer, have produced a number of very promising basic projects.

The transfer from a joint, mutually supportive force to a wholly Cambodian force that has the mandate to assume responsibility for its own national defense and reconstruction efforts has generated a very powerful political impact, bringing the position of the State of Cambodia to greater heights in the international arena. National and international public opinion as well as justice-loving forces the world over have seen even more clearly and agreed even more readily with us that only the government forces of the State of Cambodia can prevent the re-emergence of the genocidal regime and are the sole genuine representative of the vital interests of the Cambodian people. The victories and achievements made on the border battlefields by our Armed Forces and people during the past six months, especially at the beginning of 1990, have clearly demonstrated the strong possibilities of the forces of the Cambodian revolution in independently assuming revolutionary duties and their ability to defend the nation and ensure peace for the day-to-day lives of the people under the new regime on the basis of national pride displayed by each Cambodian citizen who has always pledged to hold aloft the banner of great national solidarity and unity around the party in the drive to defend the independence, sovereignty, and territorial integrity of the motherland.

Dear comrades and friends, though our struggle with the enemies is becoming extremely resolute, our people continue to maintain their goodwill and desire to bring an early end to the Cambodian conflict to bring genuine independence, peace, and happiness to the motherland and people. Since mid-1987, the party and government of the State of Cambodia have pursued the policy of national reconciliation and made many successive concessions in their desire to quickly end the conflict in Cambodia. However, it is most regrettable that the tripartite factions have instead rejected everything aspired by the Cambodian people.

In the cause of the just struggle to reach their objective, the Cambodian people always keep nurturing a strong optimism, constantly envisioning a glorious future for their nation and continuing to hope that all international forums which sincerely wish to bring peace to the Cambodian people would help prevent the recurrence of the genocidal regime and solve the Cambodian conflict on the basis of respect for the Cambodian people's interests and of the right to self-determination. The Cambodian people can never forget the separations, sufferings, and tragedies caused by the genocidal regime. For this reason, the Cambodian people as a whole resolutely oppose the return of the genocidal regime under any form. Therefore, the demands by Pol Pot, Sihanouk, and Son Sann to form a quadripartite government in Cambodia before the elections and any calls for the dissolution of the government of the State of Cambodia are merely a ruse to create conditions for the genocidal gang to legally return to power in Cambodia. This is dangerous to the lives of the Cambodian people who live peacefully as masters of the present new regime, something the Cambodian people cannot accept.

On behalf of the Cambodian party, government, and people as a whole, I would like to express deep thanks to the parties, governments, and peoples of Vietnam, Laos, the Soviet Union, and other fraternal and friendly countries and to progressive international organizations for supporting the just and correct struggle of our people in the past as well as at present and in the future. In conclusion, I would like to appeal to all cadres, party members, combatants, and people throughout the country to tap on the sufferings we experienced for three years, eight months, and 20 days under the brutal and savage genocidal Pol Pot regime in order to rally the force of solidarity and unity around the party and fight to prevent the recurrence of the genocidal regime so we can defend and build our national society and expand the close relations of solidarity among our three Indochinese countries, relations we consider a vital factor for our nations.

I appeal to all of the party, Armed Forces, and people to heighten the sense of responsibility, mobilize all possibilities, stimulate and raise the determination to fight and the spirit of independence and control, expand the sense of self-reliance in taking charge of the tasks of national defense and reconstruction, promote an appropriate sense of national pride at this new historic stage, and make a lofty resolution to carry out their immediate duties in serving the noble cause of the nation, motherland, and people. At the same time, it is imperative for all to continue promoting and consolidating revolutionary ethics by increasing sincere supervision, criticism, and self-criticism in the spirit of building good friends and promoting a clean life-style. It is imperative to be conscientious, to respect and abide by the principles, to respect collective decision, solidarity, and democracy in the party, and to remain close to the people and combatants.

Cadres at all levels and in all sectors must extol revolutionary values, maintain their fighting spirit, set good examples for the masses, match their talks with their actual deeds, and oppose all negative phenomena, such as greed, embezzlement, selfishness, and indifference to the livelihood of the people, subordinate cadres, workers, personnel, and combatants. Only by behaving in this way can they win the faith of the masses in our party and state. At the same time, they must go down to the localities and stay close the masses, people, and subordinate cadres; attentively listen to and solve in time the legitimate demands and needs of the people, lower cadres, personnel, and workers; and always strengthen solidarity and internal unity. For the immediate future, they must pay close attention to exhaustively and successfully implementing the resolutions of the second national conference of party cadres, the resolutions of the ninth and 10th party Central Committee plenums, and the various resolutions of the Central Committee by firmly adhering to the slogans: Everything in Service of the Battlefields and Everything for the Enhancement of the People's Faith in our New Regime.

On the occasion of the 35th anniversary of the founding of the LPRP, on behalf of the Cambodian party, government, and people as a whole, I would like to wish the leading comrades of the fraternal Lao party, government, and people new successes in national reconstruction and defense efforts. [applause]

Lao Envoy Holds News Conference on Anniversary

BK2203132890 Phnom Penh SPK in English 1101 GMT 22 Mar 90

[Text] Phnom Penh SPK March 22—Thongsoukhoun Phounsavan, Lao ambassador to Cambodia, on Wednesday [21 March] held a press conference here on the 35th anniversary of the Lao People's Revolutionary Party [LPRP].

After highlighting the history of the LPRP and the arduous and heroic struggle of the Lao people to liberate themselves from the yoke of foreign aggressors, the Lao ambassador said the resolutions of the LPRP's Fourth Congress had defined the main tasks of the Lao revolution which were to firmly defend the territorial integrity and democracy of the Lao people in building socialism and to restructure the national economy in line with the concrete conditions of the country by laying out an enlarged policy for external economic relations.

He further said that the Lao People's Democratic Republic is enjoying a growing prestige in the international arena, while the Lao People's Revolutionary Party is gaining more and more confidence among the Lao people. He attributed these successes to the good qualities of the party members, the improvement of the managerial system, and the unity within the party and the Lao people as a whole.

On the fraternal friendship between Laos and Cambodia, Thongsoukhoun Phounsavan said those [words indistinct] friendly ties have been promoted with every passing day. He welcomed the achievements scored by the Cambodian people over the past years, describing them as successes of the Lao people, too.

The Lao diplomat also voiced support for the just struggle of the Cambodian people for national independence and for a fair political solution to the Cambodian conflict. He appreciated the Cambodian Government's policy of national reconciliation, saying that it suits the concrete conditions of the country and is really based on the right to self-determination of the Cambodian people. Finally, he called for the cessation of outside interference in Cambodia and the prevention of the genocidal Pol Pot clique's return, and stressed that Cambodia's internal affairs must be settled by the Cambodian people themselves.

SPK Reports Chea Sim, Hun Sen Activities

BK2703121790 Phnom Penh SPK in English 1058 GMT 27 Mar 90

["Political News in Brief"—SPK headline]

[Text] Phnom Penh SPK March 27—Chea Sim, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, chairman of both the National Assembly and the United Front for Construction and Defence of the Kampuchean Fatherland, has called on the officers and men of a special mobile company in the province of Kandal who just completed their training at the Kien Svay Military School, same province.

During the talks, Chairman Chea Sim mentioned a number of key questions especially how to build a strong army.

After recalling the military developments since the complete Vietnamese pull-out last year, Chairman Chea Sim also spoke of the growth of the Cambodian Armed Forces and their ability to assume the task of national defence by themselves. He said that the enemy have changed their military tactics from making offensives to conducting sporadic sabotage activities against the peaceful life of the innocent people along the border. He denounced the enemy for stubbornly pursuing the bloodshed and trying to jeopardize the search for peace.

He concluded by referring to the recent victories scored by the government forces in the northwestern part of the country, including Pailin, Svay Chek, Thmar Puok, and commended the trainees on their efforts in training and wished them success in their noble mission of national defence.

—For his part, Hun Sen, Politburo member of the party Central Committee, chairman of the Council of Ministers and minister for foreign affairs, recently attended a meeting of the party committee of Kompong Chhnang Province and highly appreciated the all-round achievements made by the province under the provincial party leadership.

A report presented at the meeting dealt with the [words indistinct] of party cadres and an increase of 20 party members during the past half-year. The report also said that the province is concentrating its efforts on upgrading food production and economic management. In the last rainy season it said the province cultivated 52,200 ha [hectares] and got an average food share of 250 kilogrammes per capita.

Chairman Hun Sen urged the whole Kompong Chhnang population to be ever vigilant over the enemy's dark schemes and to do their best in national defence and construction.

He also called on the province to give aid to the war victims at the northwestern border area who are suffering from the sabotage activities of the coalition forces, especially the Polpotist criminals.

—A get-together to mark the 35th anniversary of the Lao People's Revolutionary Party has been held at the office of the National Council of the United Front for Defence and Construction of the Kampuchean Fatherland. The function, sponsored by the front and the Cambodia-Laos Friendship Association, was attended, among others, by Sam Sundoeun, member of the party Central Committee and first secretary of the Cambodian Youth Union, and Lao Ambassador to Cambodia Thongsoukhoun Phounsavan. In the speeches, the two officials praised the long-standing militant solidarity, friendship and cooperation between the two parties, governments and people of the two countries.

Tie Banh Greets Mongolian Official on Army Day

BK2503093290 Phnom Penh Domestic Service in Cambodian 1200 GMT 24 Mar 90

[Report on greetings message from Defense Minister General Tie Banh to Mongolian Defense Minister Lieutenant General Molomjamts on the 69th founding anniversary of the Mongolian People's Army]

[Text] Beloved comrade: On the 69th founding anniversary of the brotherly Mongolian People's Army [MPA], on behalf of cadres and male and female combatants of the Cambodian People's Armed Forces and in my own name, we would like to convey with great pleasure our warmest and most sincere greetings to you, the cadres and combatants of the MPA. May all of you have the best of health, dynamic physical strength, happiness, and every success in the implementation of your tasks of building and defending the Mongolian motherland. May the relations of solidarity and friendship and cooperation between our two countries and armies continue to fruitfully develop and strengthen.

SPK Reports Enemy Casualties 18 Feb-18 Mar

BK2603115690 Phnom Penh SPK in French 1106 GMT 26 Mar 90

[Text] Phnom Penh, 26 Mar (SPK)—The Cambodian People's Armed Forces launched 374 operations, particularly in the country's northwestern border regions between 18 February and 18 March, putting out of action 799 enemy soldiers, taking 66 prisoners, and forcing 102 others to surrender. They also seized 930 guns, 122 metric tons of ammunition, 250 assorted mines, four walkie-talkies, 70 boats, and some other war material.

Laos

Further on Thai Princess' Friendship Visit

Banquet for Phoumi Vongvichit

BK2203112590 Vientiane KPL in English 0930 GMT 22 Mar 90

[Text] Vientiane, March 22 (KPL)—Her Royal Highness [HRH] Princess Maha Chakkri Sirinthon last night hosted at the Thai Embassy a banquet in honour of the acting President Phoumi Vongvichit.

Among the guests of honour attending the banquet were His Excellency [H.E.] Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, H.E. Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance, H.E. Gen [General] Sisavat Keobounphan, chief of the General Staff of the Lao People's Army and mayor of Vientiane, H.E. Sisana Sisan, president of the Laos-Thailand Friendship Association, ministers and deputy ministers, and Lao senior officials.

H.E. Praphat Limpaphan, vice minister of foreign affairs of Thailand, H.E. Nikhom Tantemsap, Thai ambassador to Laos, and the entourage of HRH Princess Sirinthon were also present at the banquet.

The banquet wound up with art performances of an art troupe from Thailand. On this occasion, Princess Sirinthon also played some traditional musical instruments.

HRH Princess Sirinthon, on this occasion, addressed the banquet that she liked to thank the Lao Government and people for the warm welcome reserved for her.

Phoumi Vongvichit Delivers Speech

BK2503124590 Vientiane Domestic Service in Lao 0000 GMT 22 Mar 90

[Text] Her Royal Highness Princess Maha Chakkri Sirinthon of the Kingdom of Thailand graciously hosted a banquet in honor of His Excellency [HE] Phoumi Vongvichit, acting president of the Lao People's Democratic Republic [LPDR], at the Thai Embassy yesterday evening prior to the conclusion of her royal highness' official friendship visit to the LPDR. The princess is scheduled to return to Bangkok this morning.

Attending the banquet as guests of honor were HE Phoun Sipaseut, vice-chairman of the Council of Ministers and minister for foreign affairs; HE Sali Vongkhamsao, vice-chairman of the Council of Ministers and minister of economy, planning, and finance; HE Sisavat Keobounphan, chief of the Lao People's Army General Staff and chairman of the administrative committee of Vientiane Municipality; Sisana Sisan, chairman of the

Laos-Thailand Friendship Association; other ministers, deputy ministers, and high-level officials. Also present at the banquet were HE Second Lieutenant Praphat Limpaphan, Thai deputy foreign minister; HE Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos; Professor Mom Chao Suphattharadit Ditsakun; and other members of the princess' entourage.

During the performance of a Thai art troupe, Her Royal Highness Princess Maha Chakkri Sirinthon sang folk songs and played folk music instruments, namely the xylophone and pong lang [Thai wooden xylophone]. Her Royal Highness Princess Maha Chakkri Sirinthon invited distinguished guests to drink a toast for the health of HE Phoumi Vongvichit and for unity, friendship, and relations of brotherly neighborliness between the Lao and Thai peoples. HE Phoumi Vongvichit, in his reply speech, expressed thanks to Her Royal Highness Princess Maha Chakkri Sirinthon for the banquet. He said:

[Begin recording] Respected Your Royal Highness Princess Maha Chakkri Sirinthon; Respected HE Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos; Respected ladies and gentlemen:

I, my wife, and every (?cadre) feel highly honored to be invited to this banquet at the Thai Embassy today at the conclusion of the visit to Laos of Your Royal Highness Princess Maha Chakkri Sirinthon. During the eight-day stay in the LPDR, Your Royal Highness Princess Maha Chakkri Sirinthon visited several provinces in the northern and southern regions of Laos. The Lao Government and people have been indescribably elated by this eight-day visit. In the past, we knew Your Royal Highness' name from the radio and newspapers and saw Your Royal Highness only on television. We are now really happy and regard it as an honor to see Your Royal Highness in person during your visit to Laos. In the past eight days we have been satisfied that our desire to meet you has been fulfilled. We are indescribably elated by Your Royal Highness' impressive speech, which will remain in the hearts of the Lao people in the entire country forever.

Your Royal Highness Princess Maha Chakkri Sirinthon is a daughter of his majesty the king of Thailand and, naturally, is respected by the general public in Laos. Your Royal Highness has graciously communicated with the Lao people of all strata and races in an elegant and sweet manner, thus winning wholehearted respect and affection from every Lao person who had the honor to meet you. Everyone highly admires your every movement and regards you as the most distinctive symbol of friendship between the two countries—Laos and Thailand. Your Royal Highness has significantly further strengthened long-standing brotherly [words indistinct] between the Lao and Thai peoples. We express our wholehearted gratitude to Your Royal Highness for having come to visit the Lao people in Vientiane capital and five other provinces of Laos. You have brought warmth and happiness to everyone and valuable gifts to many places and individuals, which will serve as reminders of you.

I express thanks to HE Nikhom Tantemsap, ambassador extraordinary and plenipotentiary to the LPDR, for his endeavors to create favorable conditions for us to have the honor to welcome Your Royal Highness Princess Maha Chakkri Sirinthon during this visit, which has further upgraded friendship between Laos and Thailand. Respected Your Royal Highness, ladies and gentlemen in the delegation of the Kingdom of Thailand: Lao officials and people in every locality where Your Royal Highness Princess Maha Chakkri Sirinthon has visited were instructed by the LPDR Government to do their utmost to welcome Your Royal Highness Princess Maha Chakkri and the delegation of the Kingdom of Thailand and to make everyone feel at home. As far as I know, those officials and people concerned have done their best, but some shortcomings are probably inevitable. Therefore, I would like to take this opportunity to apologize to Your Royal Highness and to every one of you. There are still many provinces in Laos that Your Royal Highness has not yet visited. The people in these provinces also really want you to visit them. We will learn lessons from this visit so we will be able to offer a better reception for you and your delegation next time.

We regard this visit to the LPDR of Your Royal Highness Princess Maha Chakkri Sirinthon as an unprecedentedly strong testimony of friendship, as I mentioned in my speech during the banquet I hosted for you. I make a vow that I will work together with the Thai ambassador to our country to further develop and strengthen this friendship every day. Finally, I invite Your Royal Highness Princess Maha Chakkri Sirinthon, ladies, and gentlemen to drink a toast to the happiness and longevity of King Phumiphon Adunyadet the Great, the queen, and every member of the Thai Royal Family and to wish Your Royal Highness Princess Maha Chakkri Sirinthon and every member of the delegation a safe trip back to Thailand. I wish Your Royal Highness happiness and longevity. I wish every member of the delegation good health and a safe trip back to Thailand. I wish HE Nikhom Tantemsap, Thai ambassador to Laos, his wife, and staff members of the Thai Embassy good health and longevity so they can contribute to the strengthening of Lao-Thai friendship. I wish ladies and gentlemen—both Lao and Thai—at this important banquet good health and successes in carrying out your duties. Thank you. [applause] [end recording]

Article on 'Success'

BK2403143390 Vientiane Domestic Service in Lao 0000 GMT 24 Mar 90

[PASASON article: "Brilliant Success of the Visit to the Lao People's Democratic Republic by Princess Maha Chakkri Sirinthon"]

[Text] On 22 March, the friendship visit to the Lao People's Democratic Republic [LPDR] by [Thai] Princess Maha Chakkri Sirinthon, which was made at the invitation of LPDR Acting President His Excellency [HE] Phoumi Vongvichit with the strong aspirations of the multiethnic Lao people, came to an end with glorious success.

During her visit to Laos, in addition to being accorded an honorable official welcome by HE Phoumi Vongvichit and Vientiane residents, Princess Maha Chakkri Sirinthon also paid a courtesy call on LPDR Acting President HE Phoumi Vongvichit. During the call, acting on behalf of the Lao Government and the entire Lao people, HE Phoumi Vongvichit expressed wholehearted respect and welcome to the princess. He also informed her of the socioeconomic situation as well as agricultural development in Laos. The princess expressed keen interest in the issues. HE Phoumi Vongvichit also hosted a dinner reception in honor of the princess. The reception proceeded in a warm atmosphere from beginning to end.

The princess visited several places, ruins, cultural foundations, and temples in Vientiane capital, where she was always given a warm welcome by Lao people and officials. In addition, the Laos-Thailand friendship association also organized a Basi [blessing] ceremony for the princess, while the Ministry of Information and Culture—in coordination with the friendship association—presented an artistic and musical performance in her presence, reflecting the rich artistic and cultural traditions of the multiethnic Lao people. During the performance, the princess also participated in the musical performance with Lao artists. On the following day, Princess Maha Chakkri Sirinthon visited the Nam Ngum hydroelectric dam project to observe the operation of the enterprise. She expressed great interest in the management, production, utilization, and distribution of electricity to many faraway provinces of Laos, such as Luang Prabang Province. During the visit, she released 99 giant catfish fry into the Nam Ngum reservoir. Later, she proceeded to observe the operation of the Tha Ngon Rehabilitation and Development Project in Saithani District, Vientiane Municipality.

After ending her visit to Vientiane capital, the princess left for Luang Prabang Province to pay a royal visit to that province. Upon arrival, she was given a warm welcome by the provincial administration and Luang Prabang residents. While staying in the province, Princess Maha Chakkri Sirinthon visited many ruins and temples that have existed in Luang Prabang capital since ancient times, such as the Siangthong Temple, the Chomsi Pagoda, Vat Si Soum Temple, the national museum, and many other important places. In addition, she also attended a Basi ceremony organized by the Luang Prabang provincial administration and residents. After completing her visit to Luang Prabang, the princess proceeded to Champassak and Saravane Provinces where she visited many ruins, the Sand Stone Pagoda at Vat Phou temple in Champassak Province, and (Khon Phapheng). She visited (Tan Lo) in Saravane Province and the Se Set hydroelectric dam project construction site. Before returning to Vientiane, the princess stopped off in Savannakhet Province where she visited many religious ruins, such as Phathat Inghang Pagoda and Saiyaphoum Temple. She was given a warm and honorable welcome by local officials and residents wherever she visited.

In addition to giving the princess a good opportunity to study the history and glory of the Lan Xang Kingdom, her successful visit to Laos has greatly contributed to building mutual trust and confidence between the peoples of the two countries to promote brotherly relations and good neighborliness, as the Lao and Thai Governments are trying to do at present. In addition, the princess' visit also constitutes a contribution to defending peace and stability in this region and in the world.

Party's 35th Founding Anniversary Celebrated

Editorial Marks Event

BK2403105590 Vientiane Domestic Service in Lao 0000 GMT 22 Mar 90

[PASASON 22 March editorial: "Enhance the Party's Traditions Accumulated in the Past 35 Years and Continue To Strengthen the Party"]

[Text] Today, 22 March 1990, marks the 35th founding anniversary of the Lao People's Revolutionary Party [LPRP]—the organizer and leader of all victories of the Lao revolution and the continuator of the traditions of the Indochinese Communist Party, which was directly founded, educated, trained, and led by President Ho Chi Minh.

The birth of the the LPRP marked an important development and turning point in the history of the Lao revolution. It constituted a prerequisite preparation for scoring a new wave of victories and a leap forward for the Lao revolution and nation in the subsequent period. The great task of the party since its birth was to unite and lead the masses to rise up to fight against the aggressive war and intervention by the U.S. imperialists in order to liberate the country and to build Laos into a country of peace, independence, democracy, unification, and prosperity. Pursuing such a policy, our party proceeded to unite forces in society that advocated peace, independence, and democracy into a united front for national liberation to train a spear on the main enemy and to carry out an armed struggle combined with the struggle in the political and international spheres. Gradually smashing the enemy and scoring victories on every front, complete victory was won on 2 December 1975, thus brilliantly fulfilling the strategic goal set up in the initial stage.

After the liberation of the country, our party outlined two historic tasks to defend and safeguard the country and to build the new regime. It implemented a strategic method of vigorously turning to the grass roots and simultaneously carrying out the three revolutions, gradually scoring great, all-around victories. Through a period of self-educating and learning from its own experience as well as studying the lessons drawn by the fraternal countries, our party decided to effect an all-around change by applying the Leninist economic policy in (?all spheres of work) in the country in a timely and creative manner. First of all, it resolutely abolished the state financing and centralized bureaucratic management mechanisms and installed a more efficient management system, thus gradually concretizing our party's economic policy. Production and circulation in all economic sectors have been positively undertaken. Domestic markets have been broadened and economic cooperation and relations with foreign countries expanded. The national economy has become more active and flows more smoothly. The material and spiritual life of the multiethnic people has been improved. The face of the country has also been clearly changed. The prestige of the Lao People's Democratic Republic has been increasingly heightened in the international arena.

The victories scored by the party over the past 35 years have proved that the path of our party in the process of carrying out the revolutionary struggle and restructuring is correct and creative and conforms to the economic and social reality in our country, as well as the objective law and overall trend of the epoch. These victories have been closely linked to the achievements scored in party building work, in giving ideological training to cadres and party members, to the restructuring of the party leadership, and to the spirit of patriotism and the profound love of the new regime by the multiethnic people. These victories cannot be separated from the sincere support and assistance rendered to the just cause of our party and people by the Vietnamese party, state, and people; the Cambodian party, state, and people; and the USSR the PRC, and all fraternal and friendly countries throughout the world.

All this allows us to be more assertive in saying that the multiethnic Lao people have profoundly acknowledged that the LPRP is the sole party that has guided the Lao revolution, the core in uniting the multiethnic people, and the organizer and leader of all victories of the Lao revolution. The leadership role of the LPRP toward the revolution is a prerequisite and a historic tradition that conforms to the objective law. It constitutes the most decisive factor for the revolution in Laos in the past, at present, and in the immediate future.

Our party has effected a new change in its leading work. The party has defined the direction of the revolution for the new period; it is to consolidate, develop, and upgrade the popular democratic regime to gradually transform our society along the socialist path. This is the irreversible trend in the revolution in our country. To achieve this goal, the party has endured to transform itself and effect a new change in its leadership to deserve having the title of the political vanguard of the entire society. The party is doing everything to perfect its leadership, heighten the level of its capabilities, restructure the pattern of its leadership toward the state and mass organizations, overcome the bureaucratic practice of staying away from the people, further strengthen the relations between the party and the masses, safeguard the unity within the party on the basis of opposing individualism and opportunism in all forms, strengthen the leading role of party members, and consistently hold aloft its qualifications as having leading combatants.

The esteemed duty of cadres, party members, and people in the immediate future is to continue to turn vigorously to the grass roots to further promote mass movements, such as carring out national defense and public security maintenance work. This is to ensure internal political stability, create conditions for building the economy, develop culture, and improve the material and spiritual life of the multiethnic people, thereby ensuring that the target of producing 1.8 million metric tons of food in the coming production season will be fulfilled.

On the occasion of the 35th founding anniversary of the party, having pride in the party leadership and in the growth of our leading political forces, we pledge to continue strengthening the traditions accumulated by the party in the past 35 years and building the party to become the leading political force for our entire society. The stronger the party becomes, the quicker the revolution will advance, thereby allowing us to enter the 21st century with unity, confidence, and strong hope.

Art Performance Held

BK2403124490 Vientiane KPL in English 0953 GMT 24 Mar 90

[Text] Vientiane, March 24 (KPL)—The central art troupe, on March 22, gave a performance here in honour of the Lao party and state leaders, on the occasion of the 35th founding anniversary of the Lao People's Revolutionary Party [LPRP].

Present at the performance were: Kaysone Phomvihan, general secretary of the LPRP CC [Central Committee], chairman of the Council of Ministers of the Lao PDR [People's Democratic Republic], Souphanouvong, Politburo member of the LPRP CC, president of the republic, Phoumi Vongvichit, acting president of the republic, president of the Lao Front for National Construction, other members and alternate members of the Politburo [and] Secretariat of the LPRP CC, vice-president of the Supreme People's Assembly, vice-chairman of the Council of Ministers and high ranking officials.

Diplomatic corps and representatives of the international organizations to the Lao PDR were also present at the art performance.

The art troupe presented a repertoire of dances and songs describing the heroic revolutionary and hard-working tradition of the Lao Army and people under the clear-sighted leadership of the Lao People's Revolutionary Party.

Leaders Send Greetings to Mongolian Officials

BK2403112890 Vientiane KPL in English 0959 GMT 24 Mar 90

[Text] Vientiane, March 24 (KPL)—Kaysone Phomvihan, chairman of the Council of Ministers, on March 22, 1990 sent a telegram of greetings to Sharabyn Gungaadorj, chairman of the Council of Ministers of the Mongolian People's Republic, in Ulaanbaatar, on his election to the post.

Meanwhile, Phoumi Vongvichit, acting president of the republic, and Nouhak Phoumsavan, president of the People's Supreme Assembly, on March 22 sent separate telegrams of greetings to Punsalmaagiyn Ochirbat, president of the Presidium of the People's Great Hural, on his election to the post.

The Lao leaders expressed conviction that the fraternal friendship, solidarity and multi-faceted cooperation between Laos and Mongolia be consolidated and developed in the interest of the two peoples and for the cause of peace.

Philippines

Reportage on Galido's Coup Diclosures Continue

Aquino Confirms Galido Was Agent

HK2703031590 Manila PHILIPPINE NEWSDAY in English 27 Mar 90 pp 1, 2

[By Ros Manlangit, Dario B. Agnote, Fidel F. Asor Jr., Jose H. Macaspac III, and Merlinda Manalo]

[Excerpts] President Aquino yesterday confirmed Armed Forces Chief of Staff Gen. Renato De Villa's position that Brig. Gen. Alejandro Galido was a military agent operating with the rebel soldiers' ranks, even as confusion and controversy continued to surround the former Southern Luzon Command chief's statements on the failed December coup.

Mrs. Aquino took this stand as the Senate defense and foreign relations committees announced they would take down Galido's testimony from his sickbed at the Fort Bonifacio Army General Hospital on Thursday, particularly with reference to the alleged role of a certain Col. Harold Magleo, reportedly of the U.S. Defense Intelligence Agency (DIA), whose existence has been denied by the U.S. Embassy. [passage omitted]

Mrs. Aquino told reporters she was aware of Galido's mission as explained to her by De Villa and that she was receiving periodic reports about Galido's activities. "Let me say at this point that I was very well aware of the fact that Gen. Galido was giving information to Gen. De villa and De Villa was giving me his reports," she said.

Galido took a leave of absence from his post after the failed coup, in the face of mounting criticism that he took a neutral stand during the nine-day affair. He then left for abroad for medical reasons. He was diagnosed to be suffering a serious liver ailment.

Mrs. Aquino denied reports that Galido was being kept in isolation on orders of the military high command to prevent him from talking to the press because of his highly damaging retraction.

"It is a question of his health," she said. "I think he has to conserve his energy. He is not exactly in the best of health."

In his statement, De Villa said Galido will testify when called upon to do so by the competent court.

In a press statement, former Speaker Nicanor Yniguez, president of the Kilusang Bagong Lipunan [New Society Movement], berated the government for "abusing and misusing" media by "releasing false and/or malicious information to serve its ends against imagined enemies."

He said the Galido affidavit turned out to be transcription of questions and answers by interrogators who asked "loaded questions baiting Galido to link those personages with the coup."

Senator Advocates Recall of Envoy

HK2603103390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Mar 90

[By Cesar Chavez]

[Text] If the United States involvement in the December coup is established, Senator Wigberto Tanada said that U.S. Ambassador Nicholas Platt should be recalled or sent home to the United States and be declared "persona non grata." According to Tanada, although the U.S. Embassy has denied General Galido's disclosure that the U.S. was involved in the December coup, the U.S. Defense Intelligence Agency has not issued any statement or denial on the issue. In this regard, Tanada claimed that the United States has not yet freed itself from accusations or the belief that it was, indeed, involved in the coup. It is recalled that Galido, in his expose, said that a certain U.S. Air Force Colonel Harold Magleo of the U.S. Defense Intelligence Agency offered to provide weapons to use in the failed December coup in exchange for $20 million. Tanada said it is not proper for the Philippine panel to face or talk to Ambassador Platt about the exploratory talks on the RP [Republic of the Philippines]-U.S. Military Bases Agreement next month, especially because the ambassador has been accused of having secretly threatened the present government and its stability.

De Villa Denies Secret Meeting

HK2603102190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Mar 90

[By Vic Pambuan from Camp Aguinaldo—italicized portion in English]

[Text] Armed Forces of the Philippines [AFP] Chief of Staff General Renato S. De Villa emphatically denied meeting former Southern Luzon Command chief General Alejandro Galido last Saturday as reported in some newspapers. De Villa was reacting to reports that De Villa had Galido secretly fetched from a hospital at Fort Bonifacio in order to discuss his controversial disclosures about the December coup d'etat. The names of former First Lady Imelda Marcos and of an American, Harold Magleo, were included in the disclosure. Galido subsequently denied naming these people in his statement.

In a press briefing, Armed Forces Spokesman Colonel Juanito Rimando said Gen. De Villa has no written statement as of this time on the Galido case because he is busy handling the matter of the retirements of several military officials. The chief of staff is expected to release his statement on the Galido issue tomorrow.

Col. Rimando added that Gen. De Villa stands by Galido's sworn statement and his announcement that Galido was a government agent.

Here is De Villa's statement as read by Spokesman Col. Juanito Rimando.

[Begin recording] *And it is not true that he met with Gen. Galido last Saturday where he has been informed that he is not retracting the sworn statement nor any portion of that which he gave to the AFP investigators and Judge Advocate's Office officers.* [end recording]

Tightened Security for Galido Ordered

HK2603101990 Manila MANILA BULLETIN in English 25 Mar 90 pp 1, 22

[By Wilma Yamzon]

[Text] Gen Renato S. De Villa, Armed Forces chief of staff, ordered yesterday the tightening of security measures for Brig. Gen. Alejandro Galido, former chief of the Southern Luzon Command (Solcom), who is confined in a secret military hospital ward in Metro Manila.

Galido, who is suffering from cancer of the liver, is a state witness in the December failed coup attempt. He allegedly named Mrs Imelda Marcos, several Americans, and businessmen as among the plotters in the latest uprising, but he later denied implicating them, saying that there were misinterpretations of the report he submitted to the Department of Justice (DOJ).

Military officials expressed fears that some members of the Reform the AFP [Armed Forces of the Philippines] Movement and the Soldiers of Filipino People (RAM-SFP) may snatch him from the hospital.

Yesterday morning, Galido was reported to have left the hospital and met with De Villa at Camp Aguinaldo.

When reporters tried to check on this report, military officials denied it. But several officers said they saw Galido leaving the intelligence service of the AFP with three bodyguards armed with machine pistols.

Galido had allegedly repudiated part of his revelations to the DOJ probers the other day. The revelations had come in the form of question-answer statements.

On Friday, he sent a note to a television reporter clearing Mrs Marcos, the U.S. embassy in Manila, and businessman Eduardo Cojuangco Jr. of involvement in the December coup attempt.

His supposed affidavit to the DOJ identified a certain Col. Harold Magleo as the American official who offered to supply modern guns and ammunition to coup participants. The general also allegedly claimed that Mrs Marcos provided $20 million for the uprising. The AFP has remained silent on the alleged retraction.

Col. Juanito Rimando, AFP spokesman, said, "There will be no change in the statement made by De Villa that Galido's sworn statement, together with those of some operating team members, revealed important aspects in the coup attempt."

The AFP referred Galido's statement to the DOJ for evaluation and filing of charges against those who may be found liable for violation of law.

The other day, De Villa announced that "Galido has been an action agent of the AFP in a high-level intelligence project designed to uncover coup plots against the government."

"General Galido's portion of the overall task which began in the later part of 1988 and continued throughout 1989 and provided the AFP with valuable information which contributed in no small measure in preventing the RAM-SFP and the Marcos loyalists from succeeding in their effort to topple the Aquino government," De Villa said. [sentence as published]

While the AFP acknowledges the public's interest and demand for details about its intelligence project, it regrets that it cannot divulge at this time information other than those contained in the sworn statements of witnesses submitted to the DOJ, De Villa said.

Paper Carries 'Affidavit' Excerpt

HK2603050290 Manila PHILIPPINES NEWSDAY in English 26 Mar 90 pp 1, 2

[By reporter Dario Agnote]

[Text] Brig. Gen. Alejandro Galido, former Southern Luzon Command chief whom the Armed Forces Chief of Staff has described as his "action agent" inside the military rebel camp, yesterday remained barred from making statements to the media after denying that he had earlier tried to link the U.S. Defense Intelligence Agency, U.S. Ambassador Nicholas Platt, Mrs Imelda Marcos and some businessmen to the December coup attempt that nearly toppled the Aquino government.

Reporters were prohibited from entering Ward 10 of Fort Bonifacio military hospital, where the 53-year-old officer is being treated for a liver ailment. The ban on media followed Galido's giving a handwritten letter to GMA-7 TV reporter Jessica Soho in which he said he did not implicate the U.S. Embassy, Mrs Marcos and "the other businessmen," contrary to earlier reports.

Following Galido's letter to GMA-7, AFP [Armed Forces of the Philippines] Chief of Staff General Renato De Villa called for Galido and met with him for several hours, at the Intelligence Service, AFP (ISAFP), Camp Aguinaldo.

De Villa refused to issue any statement on the meeting. AFP spokesman Col. Juanito Rimando refused to comment on it, saying he knew nothing of the meeting.

On Saturday afternoon, NEWSDAY attempted to contact Galido, but was told by his aide that the general was resting and could not be disturbed. NEWSDAY tried again yesterday morning, but was told by the same aide the general had left in a blue car for an unknown destination. In a telephone interview, NEWSDAY learned from a sergeant in the hospital ward that Galido never left the hospital.

After several attempts yesterday, NEWSDAY managed to talk to Galido's son, Roy, while on his way out of the officer's ward. But he also begged off from talking about his father's meeting with De Villa.

He said Galido was allowed to move around the hospital, "but you cannot see him because he is resting." A certain Cpl. Catedril and another man guarding the front door of the ward said no one was allowed to see Galido, except authorized officials and relatives.

A closer reading of Galido's affidavit showed that Galido may have been wittingly or unwittingly quoted out of context by whomever released the selected portions of his affidavit when he was reported as having implicated certain personalities. The affidavit showed Galido as simply replying to questions instead of volunteering information. It was his investigators that asked about names of personalities, and all he did was answer the questions:

The following was excerpted (unedited) from his statement taken at Camp Aguinaldo on January 19, 1990:

Q. With your long association with the various ultra-rightist personalities and groups, making them believe that you are one of its leading participants for the destabilization or overthrow of the Aquino government, will you state based in your personal knowledge the direct involvement of the following in the ultra-rightist rebel movement, if any?

Q. Vice President Laurel [as published]
A. I don't have any, for we don't know each other personally.

Q. Brig. Gen. Edgardo Abenina
A. He is one of the leaders forming the core group in that he is planning for the activity to grab power from the present to be replaced by the new government council. He is neither a RAM nor a Marcos loyalist.

Q. Brig. Gen. Luther Custodio
A. He is a close friend of mine and hinted that he would support me in his own loyal followers if I lead the coup against this gov't.

Q. Ex-Brig. Gen. Jose Carlos Zumel
A. He is the leader of the Marcos loyalist

Q. KBL [New Society Movement] Chairman Nicanor Yniguez
A. I have no knowledge. I don't know him personally.

Q. Eduardo "Danding" Cojuangco
A. I don't know him personally also.

Q. Henry Cojuangco
A. We are friends. We met several times previously. He is just working for the return of his brother Danding Cojuangco.

Q. Homobono Adaza
A. We knew each other only inside the car when he accompanied me as requested by Gen. Abenina to a place where I met Gringo Honasan. I knew him only as the defense lawyer of Gen. Abenina.

Q. Baby Asistio
A. I met him for the first time only in San Fernando, Pampanga and we didn't talk much. I was told he has also followers to support the planned coup d'etat.

Q. Cherry Cobarrubias
A. She is my friend and does errands for me am using her for some errands. She used to be supplier contractor of logistics in the AFP.

Q. Sen Juan Ponce Enrile.
A. I have not talked to him and I have no direct contact to him. What I know is that he will support the new government.

Q. Ret. MGen. Josephus Ramas
A. I've never talked to him since 1986.

Q. Rico Mendoza
A. We became friends and he have been arranging for our meeting and other people.

Q. Ret. BGen. Felix Brawner
A. We have not discussed anything about the destabilization activity. I have no knowledge about his involvement.

Q. MGen. Manuel Cacanando
A. I was told by Gringo Honasan that in 1987 he was counted on by them to support the 1987 coup d'etat but Gen. Cacanando did not give the support and Honasan was very much disappointed with Gen. Cacanando. I have no knowledge of any involvement of Gen. Cacanando except the one told to me by Honasan. And

a report I received is that Gen. Cacanando was one of those targetted by the RAM forces for assassination whey they launched the coup.

Q. BGen, Artemio Tadiar
A. I know him to be a loyalist support and in my meeting with him for several times he hinted of supporting me if I will lead the coup.

Q. Atty. Manuel "Lolong" Lazaro
A. I don't know of him except what I read in the letter of Gen. Abenina to Gen. Zumel that he suspected a certain "Lolong" to have leaked the information about Gen. Abenina's involvement which led to the house arrest of Gen. Abenina.

Q. Louie Tabucna
A. I met him only once in the hotel where I asked him if he gave money to Gen. Zumel which he denied.

Q. Cesar Lopez
A. He is a relative of Capt. Mapalo whom he also used doing errands to comply with my instructions.

Q. Mrs. Imelda R. Marcos
A. I have talked to her by phone and that was twice. In those two occasions she has been telling me that they don't have any cash to support the activity of the coup but promised to help.

Q. Ex-Deputy Minister Joaquin Venus Jr.
A. I know him personally as being associate member of PMA [Philippine Military Academy] Class 58. He arranged my meeting with Gen. Zumel sometime last August or September 89. I could no longer remember but I know [it] was about the same topic about the preparation about the coup.

Q. Ex-Dep. Min. Lito Gorospe
A. I met only once in my meeting with Gen. Zumel. He was just introduced to me.

Q. Brig. Gen. Marcelo Balando a Marlon
A. I don't personally about his involvement. I was told by Gen. Abenina about a year ago that he approached Gen Balando and the latter gave his commitment of support when he was still the CO [Commanding Officer] of FSRR [expansion unknown].

Q. BGen Jose Commandador
A. He was my former classmate. I don't know about this involvement. I haven't heard of his name being mentioned.

Q. Commodore Domingo Calajate
A. I don't know of his involvement. I was surprised later that he supported the rebel forces last Dec 89 coup d'etat.

Q. BGen. Eduardo Cabanlig
A. I don't know about his involvement. I was just told by Gen. Abenina that he welcome of his being the Commandant of the Marines and he expects the support of Gen. Cabanlig.

Q. Ret. MGen. Romeo Gatan a Darius
A. We are personal friends. We are always in close contact in rebel movements. He expressed that he will support me also if I lead the coup d'etat.

Q. Ex-LTC Gregorio "Gringo" Honasan
A. He is one of the leaders the RAM Group and met him several times.

Honasan, who carries a P [pesos] 5-million prize on his head, was reported to have been sighted in Negros over the weekend, setting off a province-wide manhunt. Brig. Gen. Raymundo Jarque, Negros Island Command chief, said he believes Honasan and other rebel military officers were using the province as sanctuary.

Honasan, said Jarque, has relatives in Negros, known to be the sugar bowl of the country. Citing frequently reports, Jarque said that Honasan has be visiting his relatives on the mother-side in Negros.

In his report to Defense Secretary Fidel V. Ramos, Jarque further said that the local military looking into reports that some of the wealthy sugar planters identified with the Marcos administration were giving financial support to the renegade soldiers.

Close to 100 rebel soldiers assigned in Negros had planned to join the mutineers in Manila during the December coup attempt.

The report has prompted Jarque to order a massive confiscation of loose firearms in the island province which is also a hotbed of the communist insurgents. The massive confiscation of loose firearms, believed to be in the hands of sugar planters and their militiamen, will begin the week.

The local constabulary command has reported that so far only 330 small caliber firearms have been submitted for reregistration. This prompted Lt. Col. Reynaldo Velasco, Negros provincial commander, to extend the deadline for the submission of loose firearms until today to give more time to the owners to re-register their firearms. The deadline set by Camp Crame was March 24.

Meanwhile, Ramos allayed fears expressed by certain quarters that the move to confiscate firearms was in preparation for the imposition of martial law.

Ramos appealed to all gun owners particularly the sugar planters to submit their firearms for re-registration. "It is a wrong decision if they hang on to their firearms because they have a better chance of owning them through proper registration if they surrender them first," Ramos said.

Drilon Says Affidavits Not Retracted

HK2603022990 Manila Far East Broadcasting Company in Tagalog 2300 GMT 25 Mar 90

[Text] Justice Secretary Franklin Drilon said that former Southern Luzon Command Chief Brigadier General Alejandro Galido has not made any official retraction of his affidavits submitted by the military to the Department of Justice in support of a rebellion charge filed against opposition leader Homobono Adaza and five others. According to Drilon, an official retraction has to be in writing and signed by Galido. Drilon added that Galido's affidavits were signed and sworn at Camp Aguinaldo in Quezon City, and Malacanang attested to this.

In the affidavits, Galido stated that a certain Colonel Harold Magleo, an alleged member of the U.S. Defense Intelligence Agency, offered weapons to the rebel forces who launched the December coup. Galido also implicated former First Lady Imelda Marcos, who promised to support the formation of a civilian military junta. Drilon said that initial investigations of Adaza, former Presidential Assistant Joaquin Venus, Edgardo Abenina Jr., businessmen Cesar Lopez, and Medardo Pestano and his son Mel will continue on 2 April.

Fabrication Against Opposition Alleged

HK2603051190 Manila PHILIPPINE DAILY INQUIRER in English 26 Mar 90 pp 1, 8

[By Cynthia D. Balana and Roger Garcia]

[Text] Two ranking military officers yesterday accused some officers and investigators of the Armed Forces of fabricating evidence against opposition leaders in an effort to link them to the December coup attempt.

Brig. Gen. Artemio Tadiar Jr., deputy chief of the Subic Command (SUBCOM) said military lawyers and investigators had been "putting words into the mouth" of Brig. Gen. Alejandro Galido.

An alleged sworn statement of Galido, submitted by military lawyers to the justice department panel investigating the December putsch, mentioned Tadiar as one of three generals who would have been members of a military junta had the coup attempt succeeded. That statement also linked Mrs. Imelda Marcos, the U.S. embassy and some local businessmen to the putsch. But Galido later denied having implicated them and insinuated that his sworn statement had been tampered with.

Galido is now under heavy guard while Gen. Renato S. De Villa, Armed Forces chief of staff, has remained unavailable to media.

Col. Hernani Figueroa, for his part, denied having executed a sworn statement implicating opposition leader Homobono Adaza in the putsch. He also denied military and DOJ [Department of Justice] allegations that he was one of five "deep penetration agents" from the Southern Luzon Command [SOLCOM].

Figueroa, who said he has been "floating" since the putsch, said the so-called affidavits submitted by the military to the DOJ were part of "political witchcraft and sorcery. "I don't know where the military and the DOJ got this affidavit. What I know is that they are only involved in the manufacture of fabricated evidence. I do not know that they are also involved in witchcraft and black magic," Figueroa said in Baguio over the weekend.

"I would like to challenge the sorcerer and the conjurer to produce that statement or affidavit of mine implicating Congressman Adaza in the last coup (attempt), he said. Figueroa had been spokesman and chief of staff of Galido in SOLCOM.

In April 1989, Figureroa was designated commander of the Task Force Mindoro Occidental-Oriental. He said the group was abolished after the putsch although he was never implicated in it.

"I have not been a deep penetration agent. I am not a deep penetration agent [DPA] and I will never be a deep penetration agent unless the operation involves another country where I have a duty to fight for the preservation of our people and republic," he said.

Figueroa also said he has not made any affidavit in the last 10 years except this year when he filed a libel case against the INQUIRER for "making me a merchandise" by running a series on the RAM [Reform the Armed Forces Movement] and its "violent" activities.

Figueroa said Adaza was his personal friend and turning against him would constitute "the highest form of treachery."

He added: "If I were a DPA, I should have been rewarded by them (military high command). But I was made floating and had my command abolished. The GHQ [Government Headquarters] pulled me out of my command."

In Olongapo City, General Tadiar told the INQUIRER that military officials and investigators, "in their effort to pin down key opposition figures including those persons who were known to have close ties with former strongman Ferdinand Marcos, are now deliberately linking them to the failed December coup.

"Galido is being used. They took advantage of his failing health. He must have been under sedation when they took those sworn statements from him" Tadiar said.

Tadiar also said the Armed Forces' indiscretion has become obvious because Galido has already started denying having linked the U.S. embassy, Mrs. Marcos, and several businessmen to the putsch. "He is now even accusing the Armed Forces of tampering with the sworn statement he submitted. Malamang ng magkabukuhan na n'yan" [They might end up criticizing each other] Tadiar said. Tadiar also said that he remained loyal to President Aquino "as she is right now."

Tadiar was chief of the Marines during EDSA [Epifanio de los Santos Avenue] Revolution. He disobeyed then President Marcos' orders to fire at the crowd massed on Ortigas and EDSA.

In a related development, the Constabulary chief yesterday said that the controversial American national named in the expose of of Galido as a U.S. intelligence agent is actually a "professional gunrunner and swindler."

Maj. Gen. Ramon E. Montano, PC-INP [Philippine Constabulary-Integrated National Police] chief, said that Harold Magleo's name—tagged by Galido in his affidavit as a colonel working with the U.S. Defense Intelligence Agency (DIA)—was cited in various intelligence report as "broker of guns and ammunitions" to groups plotting to overthrow the government.

"As early as the August 28, 1987 coup attempt, the first attempt to topple President Aquino, Magleo's name surface in various intelligence reports as the broker of guns and ammunition for the coup plotters," Montano told reporters.

Commenting on the alleged involvement of the U.S. intelligence agency in the putsch, Montano said: "Magleo, is not in anyway, connected with any American agency in the country."

Montano said that Magleo may have indeed talked with some AFP generals and other senior officers, just to persuade Imelda Marcos to support a coup attempt.

"Ang alam ko, parang humingi siya (Magleo) ng advance kay Imelda para ibili ng mga baril," [What I know is that he (Magleo) appeared to have asked Imelda for an advance to buy guns] Montano said.

Montano's statement came at the height of an intensive manhunt for Magleo, whom the ailing Galido tagged in his 12-page sworn statement, as the American national who allegedly offered to supply war material to rebel soldiers for $20-million.

Galido Said Recruited by RAM

HK2703090990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Mar 90

[Text] Retired General Alejandro Galido allegedly received 8 million pesos from the financiers of the RAM-SFP [Reform the Armed Forces Movement—Soldiers of the Filipino People] for participation in the December coup attempt. Gregorio Rosal, alias Comrade Roger of the New People's Army Melito Glor Command, made the revelation. He also claimed that RAM members are angry at Galido because he took the money but did not take part in the aborted coup d'etat. He added that the officials of the AFP [Armed Forces of the Philippines] are aware of this matter but are covering up for Galido to avoid humiliating the AFP.

Here is an excerpt of Gregorio Rosal's statement in his interview by Deo Macalma of DZRH:

[Begin recording] [Rosal] We have reliable sources inside RAM and some anti-Cory groups.

[Macalma] You have contacts there.

[Rosal] We have friends there who we are sure will not lie to us. Gen. Galido was among the generals who received large sums of money. He apparently took 8 million pesos, which is why the coup plotters are angry at him because he did nothing during the coup attempt. [end recording]

Rosal also revealed that Galido was not a government agent but was actually a member of the RAM. Here is the statement by Rosal:

[Begin recording] [Rosal] Reports that Galido is a deep penetration agent, well, we think it is a deal he made with De Villa. Otherwise, Galido would have to be brought before the court and the Davide Commission to be tried for rebellion. If Galido, an area commander, a top AFP commander, is proven to have been recruited by RAM-SFP, it will be very humiliating to the AFP. So, De Villa's group wanted to save the reputation of the AFP under the circumstances, while Galido wanted to save his military career now that he was retiring. Therefore, a deal was made such that he will not be charged but will be made state witness and portrayed as a government infiltrator inside RAM. However, even if they do so, they cannot erase the humiliation inflicted upon the AFP. Even if Galido is shown to be a government infiltrator, the AFP will still appear to be truly inept because it failed to prevent a coup from taking place even though it had a government infiltrator with the coup plotters. [end recording]

Column Views Officials' Reactions

HK2603105490 Manila PHILIPPINE DAILY INQUIRER in English 25 Mar 90 p 4

["Pinch of Salt" column by Ninez Cacho-Olivares: "Games Generals Play"]

[Text] Had they gotten act together, Corazon Aquino and her generals, including Alejandro Galido, could have lived happily ever after—that is, after making public the now-famous Galido testimony. As usual, they muffed it and it seems that only Galido is destined to lead a happy ever-aftering life, even after he recanted his sworn testimony.

He who was once denounced by his superiors as a fence-sitter is now being packaged by the same superiors as a deep penetration agent [DPA]. No less than his commander-in-chief, Corazon Aquino, has praised his patriotism.

Galido has recanted his testimony which will no doubt cause added embarrassment to the Aquino administration. But can his superiors, including Ms. Aquino, now take back what they said about Galido and throw the book at him?

No way, unless they want to look like even bigger fools.

And they do look pretty foolish these days. Think of the spectacle of a Philippine presidential spokesman reading the U.S. government's denial of a U.S. defense intelligence officer in the person of a Col. Harold Magleo. Is Ms. Aquino now the U.S. Embassy spokesman? Think of the added spectacle of a Philippine President admitting that the U.S. denial had to be accepted since her government cannot conduct an independent verification of the Galido claim. Neither is she inclined to have the matter investigated.

What manner of government do the Filipinos have? Millions are spent on government intelligence and the head of government claims her administration is incapable of verifying claims made by government witnesses.

And why does she refuse to have the whole matter, including the alleged involvement of the U.S. government, investigated? Why should a U.S. government's denial be taken as gospel truth?

One roar from the U.S. is apparently enough to make Philippine "mousedom" cringe in terror.

Now everybody in government appears to be clearing the U.S. of any involvement in the coup attempt.

Gen. Renato De Villa and Defense Secretary Fidel Ramos, without the benefit of an investigation, denied that Magleo was a USAF-DIA officer. Then they proceed to paint Magleo as a mercenary. "I have a feeling," says Ramos, "that Magleo is an adventurer posing as a U.S. government agent." De Villa echoes the U.S.-Aquino line.

Golly gee and gadzooks! How could the military and the Philippine government have arrived so quickly at such a conclusion when, as admitted by Ms. Aquino, her government is incapable of verifying claims?

But think of the even more foolish spectacle of Philippine government lawyers in the U.S. who, even without bothering to first check the facts, announce to the world that the U.S. prosecutors will have another strong federal rap which to pin on Imelda Marcos. Galido's testimony, claimed lawyer Ted Laguatan "would refute Mrs. Marcos' stand of innocence in Philippine affairs."

What happens now to that "new and strong federal rap," now that Galido has denied implicating Imelda, the U.S. government and the local businessmen?

And have these government lawyers, here and abroad, though of the how this Galido revelation impacts on Ms. Aquino and her generals? If a conspiracy angle is being proved by government, even De Villa and Ramos would have to be implicated since they knew of the coup plans and did nothing to stop the rebels from staging a coup. That's how the conspiracy theory works under Philippine laws.

Galido has been praised for his patriotism by Ms. Aquino, his commander-in-chief. By granting him DPA status, Galido's military superiors cannot now claim that the Solcom [Southern Luzon Command] general screwed them with his sworn testimony.

Galido will have it all. In the books of the military, he will retire honorably, a patriot of his country and a true and loyal soldier of the Republic.

In fairy tale language, Galido will live happily ever after.

No one—not Ms. Aquino, not Gen. De Villa, not Fidel Ramos, not even Frank Drilon or Trampe—can now file charges of rebellion against Galido. Neither can they sully his name and reputation as a soldier, after parading him as the government spy whose "intelligence reports," as Ms. Aquino claimed, "contributed in no small measure in preventing the RAM-SFP [Reform the Armed Forces-Soldiers of the Filipino People] and the Marcos loyalists from succeeding in their efforts to topple the government last December."

Talk about Galido having his cake and eating it, too!

Editorial Calls Media 'Scapegoat'

HK2603050790 Maila PHILIPPINE DAILY INQUIRER in English 26 Mar 90 p 4

[Editorial: "Media Being Made the Scapegoat in Galido Case"—passage in boldface underlined]

[Text] In its effort to distance itself from the controversy generated by Brig. Gen. Alejandro Galido's denial of statements attributed to him, Malacanang—as it is want to do—again made media a convenient scapegoat.

Press Secretary Tomas Gomez III was quoted as saying the media may have misinterpreted Galido's sworn statement implicating Mrs Imelda Marcos, the U.S. embassy and several local businessmen in the December coup attempt.

"It is true General Galido mentioned Imelda and the American colonel in his affidavit but I think he did not link them to the last coup attempt," Gomez told the INQUIRER in an interview. "What was probably wrong was the media's interpretation of his affidavits. I think you have to read them all over again."

One does not have to be Sen. Rene Saguisag to understand what Gomez meant—that media goodfed and should therefore be blamed for any controversy arising from Galido's statement.

Initial media reports about Galido's claim were almost the same. After all, they were based on the same sworn statements submitted by Gen. Renato De Villa, AFP [Armed Forces of Philippines] chief of staff, to the justice department panel investigating the December putsch. Based on those claims, reporters covering the justice beat wrote that Galido linked to the plot Mrs Marcos, several businessmen, among them Eduardo "Danding" Cojuangco, the estranged cousin of President Aquino, and a man who was apparently introduced to Galido as Col. Harold Magleo of the Pentagon's Defense Intelligence Agency.

We reproduce verbatim a portion of the sworn statement about the former first lady which Galido now denies:

"I was in Mandarin Hotel and Cherry Cobarrubias called Imelda Marcos by telephone and after the connection was made the phone was handed to me and I talked to Imelda Marcos. Apparently, Mrs Marcos knew about me and my alleged involvement in the planned activity. She asked me to hurry up to complete the plan so that they can go back to the country and help the new government in improving the situation. **She added that she is willing to support the activity but that at the moment she is very much hard up with the money. She asked me to do something, borrow money from other sources. She promised to provide the support within twenty-four hours if they are already in the Philippines...**"

Before this, Galido also said he relayed to Brig. Gen. Edgardo Abenina, one of the putsch leaders, Mrs Marcos' promise to "give me $10 million" within 24 hours after she and her family arrived in the Philippines.

Again, one doesn't have to be Senator Saguisag to understand that Galido meant Mrs Marcos supported the plot.

Unless Galido didn't really say those things about Mrs Marcos, the U.S. embassy and the local businessmen but that military lawyers put them in his month, as Brig. Gen. Artemio Tadiar, another military officer reportedly linked to the coup attempt by Galido, believes.

If this suspicion is borne out, then the accusing finger must be pointed at those behind the release of the controversial affidavit, including the military top brass.

Manglapus Says CIA Presence in Country Likely

HK2703084790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Mar 90

[By Rey Arquiza from the Philippine International Convention Center—italicized portions in English]

[Text] Foreign Affairs Secretary Raul Manglapus admitted today that the Central Intelligence Agency is active in every part of the world and said that he would be surprised if it is not operating in the Philippines. Manglapus also said that (as the CIA is operating in the country within the parameters of the law), the Philippine Government cannot interfere or block its operations. He added that CIA operatives in the country should be careful and discreet and should obey Philippine laws, as they would expect the same from Philippine nationals in their country.

I hope the U.S. will emphasize prudence and ensure that their men are expected to behave within the bounds of Philippine law. This was Manglapus' statement. He added: *We have to live with the presence of the CIA.*

Compromise With U.S. on Aid Shortfall Reported

HK2703073990 Manila THE MANILA CHRONICLE in English 27 Mar 90 p 1

[By staff member Marites S. Paez]

[Text] President Aquino said yesterday the Department of Foreign Affairs (DFA) and the United States Embassy have agreed on a compromise on U.S. compliance with the $96-million bases-related compensation this year.

In a statement, the President said the Americans were drafting a "clarificatory note" to the response it earlier made on two notes verbales sent by the Philippines protesting the aid cuts.

Foreign Secretary Raul Manglapus had met with members of the Philippine Inter-agency Committee on the implementation of the Manglapus-Shultz Memorandum of Agreement to firm up the Philippine position, Mrs. Aquino said. She also said Manglapus "will make public the (U.S.) note in due time."

Earlier, DFA officials said the U.S. had only indicated it hoped to exert its best efforts to fulfill its pledge for this year. It did not say what steps it would take to accomplish this.

The U.S. was also reported to have maintained that it had exerted its best efforts to have $29.4 million in foreign military sales credit (FMSC) converted into grants and that it was already up to the U.S. Congress to act on it.

The DFA which was reportedly unsatisfied with such response had decided to enter into consultations with the U.S. Embassy to resolve the compensation issue.

House Members Call for Suspended Base Talks

HK2603051990 Manila PHILIPPINE DAILY GLOBE in English 26 Mar 90 pp 1, 6

[By Rowena Bundang]

[Text] The progressive bloc in the House of Representatives demanded anew yesterday the suspension of the U.S. bases exploratory talks next month this time over the failure of the U.S. State Department to return documents it confiscated from the Marcoses in Hawaii in 1986.

Rep. Bonifacio Gillego (ind., Sorsogon), leader of the bloc, said that this condition will strengthen the position of the Philippine government in any talks on the U.S. bases issue.

The progressive bloc earlier called for a suspension of the bases exploratory talks in the wake of the statement of Brig. Gen. Alejandro Galido linking Mrs. Imelda Marcos and the U.S. Defense Intelligence Agency (DIA) to the December putsch.

"Until all documents are returned and a legal statement on them is issued [the Philippine Government] should not enter into any exploratory talks or negotiations on the bases," Gillego said.

He maintained that the government could use information from the Marcos documents as bargaining instruments in shaping the country's foreign policy in relation to the U.S. military bases here.

Gillego, former executive director of the Presidential Commission on Good Government (PCGG), earlier said that about 200 of some 2,500 documents confiscated from the Marcoses upon their arrival in Honolulu in 1986 and are believed to be damaging to the Reagan and Bush administrations are still in the possession of the U.S. State Department.

PCGG Commissioner Ceasar Parlade confirmed that of the 2,723 documents taken from the Marcoses by U.S. authorities, only 2,089 have been returned to the PCGG records division.

Gillego said his group maintains that the Philippine position on the bases issue has been weakened by its acceptance of U.S. aid commitments like the Philippine Assistant Program (PAP) and military aid during the December coup attempt, aside from the lack of plans for the conversion of the U.S. bases into civilian use.

"If the Bush administration thinks it has something against us, then it is about time we use something we have against them," Gillego said, referring to some of the documents he said were damaging to the Republican Party.

The opposition led by Rep. Rodolfo Albano (KBL, Isabela) however rejected the idea of connecting the bases talks to the recovery of the Marcos documents. The documents have nothing to do with the so-called ill-gotten wealth, Albano said.

What should be done, he said, is to compel the PCGG to do its work in recovering the Marcos assets.

DND To Sell Land for Conversion of Bases

HK2703031190 Manila BUSINESS STAR in English 27 Mar 90 p 1, 3

[By Raissa Espinosa-Robles]

[Text] The Department of National Defense [DND] has agreed to sell off 623 hectares of military-occupied land in Metro Manila, in order to fund an accelerated conversion of Clark Air Base and Subic Naval Base into development projects.

This was confirmed yesterday by Retired Brig. Gen. Antonio Lukban, the DND assistant secretary for installation and logistics, Lukban likewise confirmed in an exclusive interview that the joint executive-legislative bases council had decided that the Nichols Golf Course and Boni Golf Course would be disposed of first.

The move is expected to give the Philippine government a stronger leverage in the exploratory talks on the bases his April.

Last week, well-placed sources in the Senate and the Department of Foreign Affairs had disclosed to THE BUSINESS STAR that Defense Secretary Fidel Ramos had favorably endorsed the move.

As proof, they pointed to a bill filed last March 16 [by] Ramos' sister, Sen. Leticia Ramos-Shahani, chairman of the Senate Foreign Relations Committee.

Shahani described her Senate Bill 1490 as "the first concrete step the government will take a [as published] prepare for the eventual removal of the American bases/facilities in Philippine soil."

The bill is entitled "An Act accelerating the conversion of Clark and Subic military reservations into development projects and, to this end, creating the Philippine Base Conversion Authority and providing funds thereof and for other purposes."

The creation of the Authority with a corporate personality "is preparation for the termination of the military bases agreement [MBA] between the Philippines and the U.S.," the bill stated.

But Shahani, the lone author, was quick to point out that the Authority would be needed even if the MBA is extended beyond 1991. She explained in her bill that although over 35,000 hectares of the 70,000-hectare Clark and Subic reservations have actually been returned to the Philippines, the full economic potential of this area remains untapped. This would be part of the Authority's tasks.

The Authority is envisioned to have sole jurisdiction over the disposal of military lands in Metro manila.

Senate sources said that of 1,118 hectares now occupied by the military in the metropolis, 495 hectares would be retained. These consist of:

the entire 170-hectare Camp Aguinaldo where the headquarters of the four major service commands would be established;

The entire 38-hectare Camp Crame which would become the headquarters of the proposed Philippine National

Police (PNP); and portions of the 900-hectare Fort Bonifacio and the 275 hectare Villamor (Nichols) Air Base.

As for the fear of residents around Camps Aguinaldo and Crame over their safety in case of another coup, Lukban said, "I think that will pass away" because the putschists of previous coups "are only remnants."

All lands up for disposal are not encumbered with questions over their disposition, Senate sources stressed. The lands under question are in Crame (around eight hectares) and in Aguinaldo Some 44 hectares) only, they said.

Senate and DFA [Department of Foreign Affairs] sources said that the sale would be staggered so as not to depress real estate prices. They disclosed that buyers have expressed interest. For instance, the buying price quoted for both golf courses was P[pesos]5,000 per square meter.

They added that the military has requested that one-third of funds to be raised be given to them. This would be used to transfer displaced forces to Clark Air Base and other areas.

Lukban would not confirm this. He merely said, "whatever the (bases) council decides, that should be followed because they're looking at the macro side. We will only request them what we need."

U.S. Attempt To Block Arms Purchases Alleged

HK2603102890 Manila PHILIPPINE DAILY GLOBE in English 26 Mar 90 p 2

[By Patria Amor of Associated Editors]

[Text] Moves by the Philippine government to diversify its sources of weapons are meeting stiff resistance from the country's main military ally, the United States.

One such instance happened in 1989 when the United States tried to block a concluded deal between the Philippine Armed Forces and a British arms maker to supply the Philippine Army with 150 SIMBA armored personnel carriers (APCs).

In a letter dated October 6, 1989, Maj. Gen. T.H. Harvey Jr. the then-chief of the Joint United States Military Advisory Group stationed here, wrote AFP [Armed Forces of the Philippines] Chief of Staff Gen. Renato de Villa, asking him to stop the deal between the AFP and Guest, Keen and Nettleford (GKN) of England.

Harvey urged De Villa to stop the sale, saying the British-made APCs had "critical deficiencies" and that he tried to persuade the then-Army chief, Maj. Gen. Manuel Cacanando, to look for other sources of APCs.

Harvey's letter created a diplomatic row, prompting British Ambassador to the Philippines Keith MacInnes to make a protest to his U.S. counterpart, Nicholas Platt. Although the diplomatic protest wasn't publicized, sources in the British Embassy here confirmed a meeting between MacInnes and Platt about the matter.

In his letter to De Villa, Harvey said:

"Please consider this a private note as it relates to the AFP's purchase of the SIMBA. I am compelled to provide the inclosed information with regard to the SIMBA.

"I am attempted (sic) to convince General Cacanando that there might be a better course. His idea to build trucks, while concurrently improving mobility, was splendid.

"I will not go into all the details of why I believe the enterprise is fraught with serious pitfalls, but suffice it to say that the SIMBA vehicle, never built for production, has critical deficiencies that render it inutile for your armed forces."

Harvey was later recalled by Washington. No explanation was given for his recall, although there were speculations that it had something to do with his letter to De Villa.

The defense establishment, reacting to criticisms of overdependence on the US, has been pursuing a self-reliance defense program to minimize overdependence on Washington and develop its own capability to meet its defense requirements.

Washington has been critical of these initiatives, viewing them as part of the reported graft and corruption in the military establishment. In its view, getting weapons from sources other than the US shows a hidden agenda to amass wealth from these arms deals.

Indeed, Washington has openly and covertly advised Manila to continue getting arms from its industrial-military complex.

Manglapus Declines Comment on Dutch Asylum Case

HK2603051290 Manila BUSINESS WORLD in English 26 Mar 90 p 12

[By Jose G. Ebrio]

[Text] In search of a leadership role for the Philippines in the Western Pacific, Foreign Affairs Secretary Raul Manglapus said he would be visiting the newly independent Federated States of Micronesia sometime this week.

"It's in our national interest to develop bilateral relations with the emerging republics of the Pacific. They are our natural geographic constituency," he told BUSINESS WORLD.

Given their needs, "there are opportunities for employing Filipinos there and other business opportunities such as in manufacturing," he said, disclosing that "there are compelling political" as well as economic reasons.

"In size the development, we can exercise an important role," he remarked.

Diplomatic sources speculated Mr Manglapus was "gearing up for the bases talks" by trying to find our "how far along the U.S. is in developing alternate base sites in the Pacific." The foreign affairs secretary denied that, saying: "Matters of regional security will not be discussed."

EMBASSY CLAIM

On the matter of the recent turnover by the U.S. of a tugboat to the Philippine Navy, Mr Manglapus said he still would have to consult with Defense Secretary Fidel Ramos to determine whether, as the American embassy claims, the transfer of the ship would bring "to approximately one-half million dollars the value of military equipment provided to the AFP [Armed Forces of the Philippines]...over the beyond commitments under the Military Bases Agreement."

POLITICAL ASYLUM

In a related development, Mr Manglapus refused to comment on the recent grant of political asylum by the Dutch Government to Hilario Bustamante.

Mr Bustamante, 20, a member of the left-leaning Kabataan Para sa Demokrasya at Nasyonalismo (KAD [Youth for Democracy and Nationalism]-ENA) was allegedly detained and tortured last year by members of the Presidential Security Group after he was apprehended for putting up posters protesting the presence of the U.S. military bases.

He fled to the Netherlands and was granted refugee status last Feb. 6. According to a Dutch Government spokesman, the granting of asylum had been made because his government had "sound reasons to believe he would be prosecuted if he returns to his country." This is the first time the Dutch Government has granted asylum to a Filipino since President Aquino took office.

"I'll have to consult with other government agencies before any statement can be made," Mr Manglapus said.

Malaysia Links Consulate, Sabah Claim Issue

HK2503002490 Quezon City MALAYA in English 24 Mar 90 p 7

[By Ellen Tordesillas]

[Text] The Malaysian government is linking the proposal to establish a Philippine consulate in Kota Kinabalu to the dropping of the Philippine claim on Sabah, Ambassador to Malaysia Rodolfo Severino said yesterday.

In a telex to Foreign Secretary Raul S. Manglapus, Severino said the Sabah state government favors having a Philippine consulate in its capital to take care of the 350,000 Filipinos in Sabah. He said even businessmen in Sabah support the proposal.

"But Kuala Lumpur has demurred for various reasons, and this evidently has to do with the inability of the Philippine government to carry out its decision to desist, in the way the Malaysian government wants it and agreed upon in 1987, from pursuing the Philippine claim on Sabah," Severino said.

In 1987, President Aquino tried to drop the decades-old Philippine claim on Sabah through a Senate bill excluding Sabah from Philippine territory, but Congress blocked the proposal.

Severino also said the Malaysian government will never allow a joint executive-legislative team to visit Sabah until the territorial conflict is resolved.

The joint executive-legislative team was supposed to look into the living and working conditions of Filipinos in Sabah where only less than 30 percent of them or 48,000 have travel and working papers.

Severino said the visit could be allowed within the framework of a comprehensive arrangement on the refugee problem which, in turn, is also conditioned on the dropping of the Philippine claim on Sabah.

Severino said he supports House Bill 27880 which calls for the establishment of a Sabah Refugee Assistance Program among Filipinos which is supposed to have a P[pesos]50 million funding.

He suggested, however, that instead of the P5 million for medical-dental mission to Sabah, the money be put in a fund to pay Malaysian lawyers hired to defend Filipinos charged with crimes. "My feeling is that some Filipinos convicted of crimes in Sabah might have been acquitted or given lighter sentence if they had been assisted by good, adequately paid attorneys," Severino said.

Aquino Urged To Choose Party Affiliation

HK2703031990 Manila PHILIPPINE NEWSDAY in English 27 Mar 90 p 3

[By Mariquit Almario]

[Text] Speaker Ramon Mitra Jr. yesterday said that if President Aquino wants to achieve her program of government, she will have to choose between maintaining the broad coalition or joining the ruling Laban ng Demokratikong Pilipino (LDP) [Struggle of Philippine Democrats] Party.

Mitra also said the President Aquino cannot remain a "bystander to congressional process" by staying away from partisan politics because "the Chief Executive is the vital center of the action in our entire system of government."

"She will then have to choose whether she would want to keep this coalition or push her programs because its getting increasingly clear, and as 1992 comes closer, that not all her programs will push through Congress. So, she will have to make up her mind somehow," Mitra said.

He said that "nobody was talking about 1992 (elections)" when LDP invited President Aquino to join the party but that she become a leader of the "dominant" party to help push her programs through Congress.

Mitra said that despite the broad coalition expressing support for the President, many of her programs still "get imperilled" in Congress, specifically in the Senate, which is dominated by the Liberal Party (LP).

"We all know that many bills certified as urgent by Malacanang remain stuck in the Senate, though they've been passed by the House (of Representatives). I should think that neither the Presidency nor the national interest can afford this delay. Yet delays like these will happen again and again unless the Presidency accepts that it must use all the resources of its office to insure the enactment of legislation it regards as vital, even when the conflict with some of its more opportunistic political 'allies' is the result," he said.

Aquino Challenges Landlords on Agrarian Reform

HK2603104190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Mar 90

[By Dick Sinchongco]

[Text] President Corazon Aquino challenged politicians and lanlords, who continue to block the implementation of the Comprehensive Agrarian Reform Program [CARP], to match the government's efforts to speed up development goals instead of opposing the program. In her speech at the International Colloquium on Agrarian Reform, the president admitted that there is still strong opposition against the CARP from wealthy people who own vast amounts of land because they do not want to share their land with farmers. The president issued the challenge at the conference attended by experts on agrarian reform from other countries. Despite the opposition, she is expecting a softening of this hard stance by landowners with the government's attractive purchase offer for their land and also with a good and affordable repayment deal provided to farmers in the transfer of land ownership. The president stressed that her government is firm in implementing genuine and effective agrarian reform as one of the measures to alleviate poverty. She noted that previous governments, despite their having separate agrarian reform programs, had failed and had not fully responded to the needs of the farmers, saying that the agrarian reform program under the Marcos regime served only as counterpropaganda aimed at silencing the farmers.

Aquino Hopeful of Abad's Confirmation

HK2603114990 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 26 Mar 90

[Text] President Aquino is hopeful that the appointment of Florencio Abad as secretary of agrarian reform will be confirmed following the release of the land conversion guidelines. Tanny Rodriguez for the report:

[Begin recording] In her weekly press conference at Malacanang, the president said that she has submitted a new appeal to legislators, who rejected Abad's confirmation because of the absence of guidelines on land conversion. She also gave assurances that Abad will implement the agrarian reform in accordance with the government's Comprehensive Agrarian Reform Program [CARP].

On possible concerns of the Commission on Appointments over the guidelines, the president said that since the guidelines are stamped with her approval and that of the executive department, it is clear that they would conform with the government's objectives for smooth implementation of the CARP. [end recording]

Article Urges More Decisive Presidency

Part One

HK2303075590 Manila THE MANILA CHRONICLE in English 21 Mar 90 p 1, 9

[Report by staffmember Lito Zulueta: "Security Advice to Cory: Be Decisive To Keep Your Troops"—part one]

[Text] President Aquino must act swiftly and decisively to keep the loyalty of her troops while enforcing all legal sanctions against those involved in the last coup, including those who remained neutral, a paper prepared by the National Security Office said.

She had to maintain the loyalty of her troops inasmuch as the outlawed Reform the AFP [Armed Forces of the Philippines] Movement (RAM) and other groups of power-grabbers had become "a political force to reckon with," the paper said.

For one, "RAM, with its peculiar ideology," according to the thesis "will continue to be a wedge in the otherwise cohesive AFP, as long as its grievances are not properly addressed."

For the first time, too, it was disclosed that 6,000 officers and men participated in the coup, and not 3,000 or just 2% of the AFP as repeatedly alleged by authorities.

The paper, obtained from a Malacanang source, is an assessment made last January on the political and economic implications of the last coup by Clusters B and E, the Cabinet committees on macro-economy and on finance and security and political development. It was drafted by the National Security Council secretariat headed by National Security Adviser Rafael Ileto.

The paper's thrust on a firmer and more decisive presidency was stressed as it noted that the mutiny had far-reaching implications on the social fiber of the nation, especially those that touch on respect of duly-constituted authority. "It must be noted that the manner of handling the coup leaders and their followers would impact (positively or negatively) on our concern for discipline and respect for the law among our citizenry" the paper said. "This is a crucial point for the incumbent Government inasmuch as its subsequent responses to the coup challenge are likely to serve as "model behavior" for the middle and lower echelon of the national Government as well as for the citizenry.

The Executive had apparently taken to heart the recommendations of the paper as it had vigorously pushed the prosecution in both civilian and military courts of those involved or implicated in the mutiny, including several civilians, most prominent of whom is opposition Sen. Juan Ponce Enrile.

Despite the fact that about 6,000 officers and men joined the coup, the paper said the last mutiny showed that the AFP "as an institution" could respond to "internal conflicts" and had reassured Mrs Aquino of their loyality to the flag and the Constitution.

The Government's ability to withstand the coup also confirmed "the stability of our current political structure," the paper said. "Our more important task ahead is sustaining political stability."

But in putting down the coup with the aid of "persuasive flights" by the U.S. Air Force, the paper noted "various reactions" among which was the "observation" that the request for assistance had "rendered the Presidency with 'no options' on the U.S. bases issue and (had) weakened the Government's negotiating position."

The paper noted the claims by the plotters in launching the coup, adding that "precipitating factors" contributed to a confluence of events that led to the mutiny. The factors included the rise in the prices of gasoline and other petroleum products a day before the coup, the transportation crises, power outages, dissatisfaction among state employees on the implementation of the Salary Standardization Act, and the arrival of Marcos associate Eduardo "Danding" Cojuangco.

Part Two

HK2303075790 Manila THE MANILA CHRONICLE in English 22 Mar 90 pp 1, 3

[Report by staffmember Lito Zulueta: "Security Advice to Cory: Be Decisive"—part two]

[Text] Plotters of the December coup took advantage of the apparent breakdown in basic services and controversial political events to paint a "grim, problematic scenario" of a Government in trouble to bolster their recruitment and elicit public sympathy, a paper prepared by the National Security Council said.

The paper said claims of rebel soldiers—the "anarchy" in the country, "disunity, injustice, too much politics, rampant graft and corruption and total disregard of the law"—made Government susceptible to a coup attempt.

The rise in the prices of petroleum products and the consequent effect of an increase in the prices of basic commodities, the transportation crisis, power shortages, and the arrival of known close Marcos associate, Eduardo 'Danding' Cojuangco, were considered as factors that "precipitated" the coup. (About Cojuangco, the paper said that "the possible connection of his arrival with the coup could not be discounted.) [no closing quotes, as published]

"Predisposing factors," the paper said, were the widespread disatisfaction among state employees on the implementation of the Salary Standardization Act, the manner of implementation of the new minimum wage in the private sector, perceived graft and corruption in the bureaucracy and the military, the rise in common criminality, "the perceived disunity in the military," and the "tension created within the military establishment due to the proposed Philippine National Police Law."

"The confluence of events prior to the putschists' mobilization would have served as a 'clear signal from the people' (using cashiered Gregorio 'Gringo' Honasan's terms in describing a coup as a people's beacon to its military) which the coup plotters took advantage of," the paper said.

The paper stressed that the mutiny had grave implications on the country's social fiber. "Discipline, order and respect for the law among the citizenry have been put to a severe test at the height of the coup mobilization," it said. "The results of this 'test' show that we have a lot re-programming to do in order to instill civil discipline and respect for law among our civilian-constituencies." "This holds true as well for our law enforcers and soldiers."

On the political implications of the coup attempt, the security paper said the mutiny confirmed "the profound differences in values, goals and ideologies among various groups in the military establishment."

It added that the need for better intelligence was more than stressed by the mutiny, pointing out that the entire Government machinery was overtaken by "initial surprise" at the start of the coup mobilization.

"We may have to live with such surprises unless we seriously exert efforts to upgrade the Government's overall intelligence and contingency planning capability," the paper warned.

Aside from a more decisive Presidency, the paper suggested an in-depth study on the relationship between civilian authorities as policy-makers and the military set-up as policy instrument, and the military as an institution with its peculiar character, needs and problems. "Unless these two aspects are properly understood, coups are most likely to recur," the paper warned.

Under study by the security council, the paper said, are the prospects for the future of the Aquino Government, which gained and lost in the last coup, and the continuing crisis of a threatened Constitution.

The paper recommended the weeding out of all undesirables within the AFP [Armed Forces of the Philippines]—officers and rank-and-file. It also suggested a reorientation of values and ideology among soldiers.

The paper also advised an "objective performance evaluation" of project implementation of state departments and agencies, apparently to address the crises in the delivery of basic services. The evaluation, according to the thesis, would identify "possible flash-points" and enable the Presidency to formulate appropriate measures.

Taking into cognizance that the coup cost untold damage to the economy, the paper batted for a new development strategy that would consider current-day realities.

The paper stressed the need "to enhance the protective capability of Government," adding that current support to the intelligence community and security management organizations should be considered, apparently making a pitch for a more intensified support. As part of an effort to enhance the protective capacity of the Government, the paper suggested that "the national leadership should determine the gaps and institute corrective measures in the contingency planning capabilities of the Cabinet and the Cluster System." (The Cluster System is a management approach within the Cabinet wherein line departments and concerned agencies are grouped together according to specific or sectoral concerns for greater coordination and better implementation of the program.

Noting that a majority of the AFP remained loyal to Mrs Aquino, the paper advised a "possible reinforcement of this behavior," especially in the middle level officers and the rank and file. "To fail in this, is to lose by default in the psychological warfare that is an integral aspect of the struggle we are now engaged in," the paper warned. The paper also said that the dominant anti-coup sentiment of the citizenry should be heightened through public information.

As a final recommendation, the paper suggested a greater civil defense capability among local government units, apparently for grassroots governments to help the national government foil a coup attempt in the future.

NDF Statement Vows To Punish Aguinaldo

HK2603104690 Manila PHILIPPINE DAILY GLOBE in English 26 Mar 90 p 2

[Text] Baguio City—The underground National Democratic Front (NDF) has vowed "revolutionary justice" against fugitive former Cagayan Governor Rodolfo Aguinaldo, whom it has tagged as a "killing machine created by the AFP [Armed Forces of the Philippines] under Marcos and the CIA."

In a statement released here, the NDF-FAR [expansion unknown] North Luzon said the Armed Forces did not have any intention to capture the rebel governor because in keeping him on the loose "the AFP would gain an armed group to do all its (counter-insurgency) jobs without being answerable to anyone."

"Aguinaldo's recent declaration that he has no quarrel with the AFP and his offer to lead counter-insurgency operations in Zinunduangan Valley (Kalinga Apayao)...is another sneaky scheme to get himself out of the mess he's in now."

It said "All revolutionary forces will exert all efforts to punish Aguinaldo and his cohorts for their heinous crimes against the people."

Court-Martial of Accused Coup Participants Halted

HK2603110290 Manila PHILIPPINE DAILY GLOBE in English 25 Mar 90 pp 1, 6

[By Pamela A. Balcena]

[Text] The Supreme Court temporarily stopped last Friday a court-martial from proceeding with the trial of PC [Philippine Constabulary] Lt. Col. Eduardo Matillano and 16 other officers and soldiers charged with murder and frustrated murder in connection with the foiled August 27, 1988, coup attempt.

The tribunal, in a two-apage temporary restraining order, told Brig. Gen. Virgilio Maralit, president of General Court-Martial No. 10, to cease and desist from proceeding with the trial of the accused until further orders.

The order was in response to a petition lodged by the accused military officers and soldiers before the high court on March 15 questioning the validity of their trial on grounds that no written compliant was filled against them.

They claimed that the case against them should be dismissed outright because they were only orally charged, which, they pointed out, proved the nonexistence of a valid complaint against them.

The military court convened by Maralit had scheduled the hearing of the cases against Matillano's group for March 28 but the high court ordered Maralit to cancel the hearing pending resolution of the petition of the accused.

Also charged for supposed involvement in the August 27, 1988, putsch were Maj. Eduardo Carino; Capts. Jessie Ariola, Antonio de la Cruz, Reynaldo Ordonez, and Cessario Valencia Lts. Demetrio Soriano Namaed, Ramon Apolinario, Paterno Ordona and Magno Biag; M/Sgt. Abundio Soriano; Sgts. Camilo Ordinario and Manuel Duco; CICs Armando Teles, Nestor Tercero and Gregorio Ladial and C2C Edel Portillo.

Matillano, Former PC commander of Nueva Ecija, is currently under detention at Camp Crame.

Through lawyer Bonifacio Alentajan, the accused complained about the supposed reasoning of the court-martial that under military laws officers or soldiers "can be charged orally and even be confined on the basis of an oral charge."

They noted that the Manual for Courts-Martial of the AFP [Armed Forces of the Philippines] required that charges "properly signed and sworn to" by the accuser should be furnished to Gen. Renato De Villa, AFP chief of staff, who, in turn, will appoint the court-martial to try the accused.

They added that the Articles of War provided for the same procedure, but it was obvious that the trial judge advocate general No. 10 could not present the written complaint to De Villa because there was none in the first place.

"This development casts serious doubts on the regularity of the proceedings conducted by Court-Martial No. 10, the accused said in their petition.

They also contended that under Rule 110 of the Rules of Court, "a complaint or information shall be in writing in the name of the People of the Philippines against all persons who appear responsible for the offense involved."

Military Says NPA on Metro Manila Missions

HK2603103890 Manila MANILA BULLETIN in English 25 Mar 90 pp 1, 14

[By Robert R. Requintina]

[Text] Brig. Gen. Alexander P. Aguirre, chief of the PC [Philippine Constabulary] Capital Regional Command (Capcom), said yesterday that New People's Army (NPA) hitmen have been sent on test missions in Metro Manila to mark the rebel army's 21st anniversary on March 29. Aguirre, also director of the Metropolitan Police Force (MPF), said that the missions include terroristic activities against policemen and soldiers.

Based on intelligence reports, Aguirre said the rebels are expected to launch a summer offensive called "Oplan Anibersaryo" [Operation Plan Anniversary].

Aguirre revealed that more undercover agents have been deployed in barangays infiltrated by the NPA in Metro Manila to foil any plans by the rebels. Intelligence reports also showed that the rebels will imitate the strategy of the Reform the Armed Forces Movement (RAM) so that their terroristic activities will be blamed on the rebel soldiers.

Aguirre said that the military and the police are prepared to thwart any activity of the rebels.

"Oplan Laging Handa [Operation Plan Always Prepared]" was launched again yesterday by the Capcom, this time with emphasis on hunting NPA rebels and identifying their safehouses.

During the coup, the movement lay low in its operations. Aguirre said that operations by the NPA have started to escalate. There is a possibility, he said, that the rebels are behind in the ambushes that killed an officer and four Army soldiers last Thursday in Pasig and Valenzuela, Metro Manila.

Military To Step Up Attacks Against Communists

HK2603051690 Manila PHILIPPINE DAILY GLOBE in English 26 Mar 90 p 3

[By staff writer Dioniso Pelayo]

[Text] Maj. Gen. Ramon E. Montano, PC-INP [Philippine Constabulary-Integrated National Police] chief, ordered Constabulary and police units in Cagayan yesterday to step up operations against communist rebels who have established a shadow government in four remote barangays in the province.

"Government sovereignty must be imposed even in outlying areas and these shadow governments must be dismantled," Montano said.

Montano also ordered the Isabela PC-INP command to protect loggers who are being threatened by rebels.

Speaking during briefing for Montano, Lt. Col. Percival Aldaba, PC-INP commander in Cagayan, said the New People's Army has established a provisional revolutionary government (PRG) at the Zinundungan Valley in the towns of Rizal and Sto. Nino. The rebels, Aldaba said, "wield pseudo authority and jurisdiction over about 190 families in barangays Masi, San Juan Sur and San Juan Norte Rizal town, and Lagum, Sto. Nino." Aldaba said the Communist Party of the Philippines has appointed Bernardo Lacua alias Ali as the "revolutionary mayor" of the PRG. Lacua is assisted by six rebel leaders supervised by a certain Ka [Comrade] Roque, Aldaba said.

Aldaba also said that the revolutionary government set by communist rebels in barangays Sicalao and Viga in Lasam town has been dismantled with the arrest last month of its "revolutionary governor" identified as Jovito Domingo alias Ka Jong and its "revolutionary mayor" Dominador Calumag alias Helbon.

Lt. Col. Clyde Fernandez, PC-INP commander in Isabela, reported to Montano that communist rebels in the province have started collecting progressive taxes from loggers. The rebels have already sent notices of taxation to some loggers in Ilagan and Jones in Isabela in exchange for unhampered operations, Fernandez said.

The Consolidated Sawmill in Jones, Green Valley Timber Corp, and a certain Dr Cruz in Ilagan town were among those who received notices from the rebels, Fernandez said.

Fernandez said the communist rebels have also started their own agrarian reform program in San Manuel town with the establishment of a "Probisyonal na Komite sa

Reporma sa Lupa (PKRL)." He said the committee issues "land titles" signed by Antonio Pacis alias Pablo and Bong, head of the National Democratic Front's PKRL.

Cagayan Valley Military Command To Be Revamped

HK2403023290 Manila Far East Broadcasting Company in English 2300 GMT 23 Mar 90

[Text] PC-INP [Philippine Constabulary-Integrated National Police] chief Major General Ramon Montano approved a complete overhaul of the entire Cagayan Valley with replacement of soldiers with questionable loyalty. Montano also gave Cagayan Valley PC-INP chief Colonel Miguel Fontanilla the go signal to relieve Lieutenant Colonel Sergio Marzan, operations officer of the regional command, and Major Willy Custodio for their roles in the March 4 incident at Hotel Delfino in Tuguegarao. As a consequence, fugitive Cagayan Governor Rodolfo Aguinaldo and his armed followers managed to march to the scene in Tuguegarao which resulted in the death of Brigadier General Oscar Florendo, Armed Forces civil relations service chief.

Fontanilla told Montano that a total revamp of Cagayan PC-INP and regional command is needed to get rid of the secret Aguinaldo supporters.

Official Says Poverty Drops to 49.5 Percent

HK2503002690 Manila MANILA BULLETIN in English 24 Mar 90 p 25

[By E. Tolentino]

[Text] Economic gains since 1986 have filtered down to the population, according to acting Socio-Economic Development Secretary Cayetano W. Paderanga Jr.

Poverty Incidence has dropped from a full 51.9 percent in 1985 to 49.5 percent by 1988, Paderanga said, adding that in that year 5.3 million Filipino families struggled below the poverty line. He nevertheless pointed out that had economic recovery not taken place, a million more families would have joined those living below poverty line.

An additional 4 million jobs were also generated during the years 1985 to 1989, and that the unemployment rate was steadily brought down from 12.5 percent in 1985 to only 9.2 percent last year. Moreover, underemployment also showed an improvement from 37.9 percent to 31.2 percent in the same period. Paderanga said that "had the unemployment rate remained at the old level, 790,000 more people would have been out of jobs."

The number of housing units built during the last four years increased by almost 500 percent, and that for 1989 alone 89,670 units were constructed compared to the 18,001 units built in 1986.

In the area of social services, Paderanga said that the "major indicators of the health situation also registered consistent improvements. Life expectancy now stands at 64.3 years, from 63.1 years in 1985."

Infant mortality rate has been reduced from 56.6 per 1,000 live births in 1985 to just 51.5 in 1989, Paderanga said, stressing that "in practical terms, this translates to, among other things, more than 10,000 babies born in 1987 who would have joined the infant mortality ranks were it not for government health interventions."

The crude death rate has likewise been steadily brought down, from 7.9 per 1,000 population in 1985 to 7.4 last year, pointing to the improved overall health status of the population.

'Substantial' Rise in Foreign Investments Reported

HK2603051590 Manila BUSINESS STAR in English 26 Mar 90 p 2

[By Rica D. Delfinado]

[Text] Direct foreign equity investments injected into various sectors of the economy last January reached $20.81 million, a substantial 101% hike over the 1989 level of $10.33 million, according to the Central Bank (CB).

Per the banking authority's records, the onset of the current year also saw direct foreign equity investments, referring here to registered or actual foreign capital infusions since February 1970, reaching a cumulative total of $3.125 billion. This, the CB data show, was 7.33% more than $2.912 billion cumulative reached the same month last year.

Last January's data could not have reflected yet the effects of the preceding month's coup attempt on foreign business confidence. Thus, the increment in foreign capital infusions may just have been carry-over manifestations of the bullish mood that characterized the local business environment throughout most of last year until December. The following month's infusions most probably involved capital already on the pipeline long before the coup attempt.

Approved direct foreign equity investments or those yet to be remitted to the country, meanwhile, also grew by 8.7% to $3.560 billion this year from last year's $3.274 billion.

Against this, last January's registered direct foreign equity investments reflected a high inflow actualization rate of 87.7%, a .2 percentage points improvement from last December's 87.5%.

The manufacturing sector grabbed the largest share of the additional foreign equity infusions which flowed into the country with 48.4 percent of the total. In real terms, manufacturing got direct foreign equity investments amounting to $1.512 billion or 7.5% more than January 1989's $1.405 billion.

Some $414 million of the total additional foreign equity investments which went to manufacturing last January were channeled to chemicals and chemical by-products; $297 million to food processing; $170 to metal and metal products; $73 million to textiles and garments; $113 million to tranport equipment; $82 million to petroleum and coal processing.

Following manufacturing was mining which took in 26.4% of the foreign capital infusions. Mining actually absorbed $826 million during the period, 9.5% more than the $784 million the sector got the previous year.

The third largest slice of the foreign equity investment pie went to banks and other financial institutions, at $386 million or 7.8% more than 1988's $358 million.

The rest of the investments were channeled to commerce, $153 million; services, $135 million; public utility, $41 million; agriculture, fishery and forestry, $47.24 million; and construction, $21 million.

The United States remained the most active investor in the local economy. As of the first month of this year, U.S. direct foreign equity investments totaled $1.721 billion, 4% more than last year's registered level. The amount also represents 55% of the total registered direct foreign investments which entered the country during the period.

In terms of growth, however, Japanese investments amounting to $448 million last January grew faster than the U.S. at 12.5%.

Other investments on the local economy came from businessmen in Hong Kong who pumped in $205 million; the Netherlands, $148 million; and, the United Kingdom, $118 million.

$1.7-Billion Gain Realized From Buyback Program

HK2303041790 Manila BUSINESS WORLD in English 23 Mar 90 p 1

[By Cristina A. Sotelo]

[Text] The country realized a net benefit of $1.706 billion from the Jan 3 debt buyback program, according to a memorandum issued last Wednesday by Finance Secretary Jesus P. Estanislao to the Joint Executive-Legislative Debt Council.

The nominal net savings took into account the savings in principal amortizations and interest payments on repurchased debts amounting to $1.336 billion.

Mr Estanislao said the principal debt would have been amortized over 20 semi-annual installments starting in 1994, while interest would have been charged on outstanding principal at the London Interbank Offered Rate plus 7/8%. With LIBOR assumed at 8 3/8%, total gross nominal savings over the 15 years of the restructured commercial credits are calculated at $2.758 billion.

He said the present value of the net benefit of the debt buyback ranges from $580 million to $830 million.

For 1990, however, the debt buyback will put the Government's cash budget at a deficit of P[pesos]1.7 billion due to advances of P2.393 billion to government-owned and -controlled corporations to finance the repurchased of their debt papers.

Of the total loans committed by multilateral and official sources amounting to $2.845 billion, only $852 million has so far been disbursed.

Thailand

Chatchai-U.S. Ambassador Meeting Questioned

BK2703105190 Bangkok NAEO NA in Thai 27 Mar 90 p 5

[Editorial: "U.S. Ambassador's Role"]

[Text] U.S. Ambassador to Thailand Daniel O'Donohue paid a call on Prime Minister General Chatchai Chunhawan on 26 March for an exchange of views on strengthening bilateral relations in the interests of the peoples of both countries and of the world. This is praiseworthy. According to Spokesman of the Prime Minister's Office Suwit Yotmani, the U.S. ambassador asked for information needed for preparations for the prime minister's 14-15 June visit to the United States.

It is noteworthy, however, that in addition to topics concerning bilateral relations, the ambassador also asked about the political situation in Thailand.

Answering newsmen, the spokesman said that Gen. Chatchai told the ambassador that the government is confident of its stability and that there is nothing to worry about. Political developments at present are in the framework of the democratic system. The ambassador supported the views of the prime minister, adding that the United States would not have extended an invitation to the prime minister if it did not have confidence in the stability of the government.

This kind of encounter is rare in a free, democratic country with full sovereignty. A question therefore arises—whether the ambassador's inquiry about the political situation in Thailand is a breach of diplomatic etiquette and whether it constitutes interference in the internal affairs of Thailand. Moreover, there is a question whether this kind of a conversation is appropriate at this time, as present internal politics in Thailand can take a turn at any moment within the framework of democracy.

Although one may justify the ambassador's move as being motivated by good intentions and concern, such sentiments should be expressed between independent states, and not by a country to a particular government.

If the U.S. ambassador wished to express his concern for a particular government, his views should have been made in a private conversation and should not have been made public. Otherwise, it would be tantamount to a superpower trying to prop up a government it wanted to see in power. This happened in the past, but is impossible in the present world. But if this were the case, it would then be an example of political opportunism by making use of a superpower.

Khun Sa Forces Pull Out From Border Base

BK2303020390 Bangkok BANGKOK POST in English 23 Mar 90 p 6

[Text] Mae Hong Son—Opium warlord Khun Sa and the majority of his 4,000-strong armed forces have pulled out quietly from his base opposite Muang District in what could be a tactical relocation of headquarters following the March 15 announcement of formal US court accusations against him.

Khun Sa, also known as Chang Chifu, is reportedly heading north after leaving his base at Hua Muang camp a few days ago, according to sources close to him and the Border Patrol Police. His present exact whereabouts is not known, the sources said, adding that the nature of his departure from Hua Muang camp was rather hasty.

Khun Sa is reportedly accompanied by his most trusted aide, Chang Chishen, who is also high on the Thai anti-narcotics agency's wanted list.

The sources could not give the exact size of Khun Sa's Muang Tai Army (MTA) force which accompanied him on the journey, except that it comprises the majority of its armed unit based opposite here. The MTA, formally known as the Shan United Army, commands an estimated battling force of 8,000 to 10,000 men, based at three strongholds—Hua Muang, Doi Lang opposite Mae Ai District and Pang Mai Sung opposite Chiang Dao of Chiang Mai Province.

The two strongholds opposite Chiang Mai are located north of the Hua Muang camp, but it is not immediately known if Khun Sa intends to relocate his hideout to either of these two bases.

The MTA's stronghold at Doi Lang is being surrounded by about 2,000 rebels of the United Wa State Army—a breakaway faction of the defunct Burma Communist Party—which is trying to fight for control of the area, one of the most strategic heroin and logistics routes for the minority guerrillas.

The sudden departure of Khun Sa from Hua Muang came shortly after Washington announced a court indictment against him on 10 federal drug trafficking counts. The indictment filed in the New York Eastern District Court includes charges involving the February 1988 seizure in Bangkok of 1,086 kg of heroin destined for New York City. The indictment was filed late in December last year, but was kept sealed until March 15.

Although MTA sources said Khun Sa might be heading for Doi Lang to solve the problem there, they did not dismiss claims his departure from Hua Muang camp, his regular operation headquarters for eight years, could be long-term.

"After the US filed charges against him, Khun Sa naturally has to be more careful because nobody can really tell what will happen," he said.

Thai-Burmese Border Committee Meeting Reviewed

BK2503085190 Bangkok THE NATION in English 25 Mar 90 p 6

[By Yindi Loetcharoenchok]

[Text] The two-day meeting of the Thai-Burmese Regional Border Committee ended last week with what the Thai host dubbed a "happy ending." However, its outcome binding both sides on various commitments and agreements stand to be tested which is sincere bilateral cooperation to tackle common problems. [sentence as published]

The forum held from March 13-14 in Phitsanulok discussed and enchanged views on many issues of common interest including the international concern of the narcotics problem, and also addressed and resolved various bilateral problems. The narcotic issue which was not seriously discussed during two earlier talks in Chiang Mai and Taunggyi in the Shan State has surprisingly become a highlight of the meeting.

Cooperation on narcotics suppression was thoughtfully included in the meeting agenda at the time when the international community is concerned with the new harvest of opium crop in the Golden Triangle area of Burma, Laos and Thailand, which is considered the world's largest source of heroin.

The United States, where narcotics trade is making the most profit, is very much concerned about this year's import of heroin, which is produced from opium extracted from poppies, into the country from the region. US officials estimated that Southeast Asia is the source for 43 percent of the heroin reaching American shores, and 70-80 percent of all Golden Triangle heroin is transported through Thailand.

US Assistant Secretary of State for International Narcotics Matters Melvyn Levitsky last week voiced the administration's concern over increasing evidence that the Golden Triangle has become the largest source for heroin entering US markets. The secretary also presented testimony before two Senate Foreign Relations sub-committees of the narcotics situation in the region.

A few days later, US Attorney General Richard Thornburgh then announced the US indictment of Khun Sa, the world renowned drug kingpin, who is active in drug transactions and smuggling from inside Burma, on 10 separate trafficking accounts.

During the Phitsanulok meeting, the Burmese delegation was reportedly "very much dissatisfied" with the figure its Thai counterpart presented of the predicted 1990-91 opium produce from Burma, Laos and Thailand. According to the Third Region Army Commander Lieutenant General Siri Thiwaphan, who led the Thai team to the meeting, the output from Burma was estimated at 1,200-1,500 metric tonnes, Laos 200-300 and Thailand 20. He said the figures were provided by the Narcotics Administration Unit, a US narcotic office.

The Burmese strongly rejected the figure saying it was much higher than what they estimated. They, however, could not produce their own figure to substantiate the argument but said that they would try to find out. "I will inform you when I know the figure," some Thai delegates quoted a senior Burmese authority as saying.

Interestingly, the Burmese objected to the 1990-91 prediction while the figure for 1989-90 output provided by the same US agency was much higher at 2,625 metric tonnes, which was a drastic leap from 1,280 in 1988 due to favourable climate and Burma's total suspension of all narcotics control programmes in 1988 due to domestic political unrest.

They said the US figure was "irrational" and that calculating from the Burmese basis of 4.5 kg of opium per annum per acre, the US figure would then show that over half of Burma was under opium cultivation. US drug authorities have already accepted the Burmese argument, a meeting delegate quoted a Burmese leader as saying, who also made a similar objection during his recent visit to the United States.

Washington ended a 14-year-old drug eradication programme in 1988 because of political turmoil and the United Nations Fund for Drug Abuse Control (UNFDAC) previously had a programme in Burma, but efforts to restart this programme have not been successful to date.

The Burmese delegation said the present military regime in Rangoon was "resolute" in conducting an eradication programme on opium cultivation, and it would implement the programme even without foreign assistance. A Burmese team leader reportedly said Rangoon was following Thailand's lead on narcotics suppression by investing about $10 million on crop substitution and occupation training programmes.

He also informed the Thai side of its past drug suppression activities and an annual figure of dwindling poppy planting areas from 1982, but the number since 1988 was not made available.

But some Burmese experts have cast doubts over the announced plan. They wondered from where the Burmese regime, which has been shunned economically and politically by Western countries, could find such a huge financial resource to start the project and whether it really gained an access to those remote poppy plantations on the highlands, which were well protected and controlled by armed anti-Rangoon ethnic minorities.

They also believed that as long as Rangoon still pursued its policy of fighting against those ethnic minorities, who are demanding greater autonomy, the latter would continue to generate finance through illegal drugs production to buy weapons and ammunitions and the drug warlords would do their utmost to support the rebel groups to protect their illegal trade.

During the Phitsanulok meeting, the Thai delegates had sought increased Burmese cooperation in combatting the drug trade. They tried in vain to persuade the Burmese counterpart into accepting an idea of setting up either a national- or regional-level joint commission on narcotics suppression.

The Burmese rejected the initiative saying the control of illegal drugs required international efforts from producing, trafficking and consuming countries. A bilateral cooperation between Thailand and Burma was "out of the question" in resolving the problem.

The Burmese also cited several points to support their arguments. They said the chemical substances required in producing heroin were not available in Burma and questioned the refinery, transport and storage of huge opium and heroin produce. "Burma's only problem is cultivation. It can't produce chemical substances and doesn't have mobile refinery factories on its soil," a Thai member quoted a disgruntled Burmese delegate as informing the meeting.

Eventually both sides agreed to an exchange of intelligence information on illegal drug activities in their respective countries to stem the flow of illicit drugs across their common border. They agreed to cooperate in alerting each other of activities such as opium plantations, locations of heroin-refining factories, movements of drug caravans and trafficking routes. The Burmese also proposed four border spots as contacting points on narcotics cooperation between the two countries.

Lt Gen Siri said such a commission should finally be established as it would quicken the flow of information and facilitate the eradication of poppy cultivation, heroin production and trafficking along the common border. Although the Burmese have shown interest in the Thai proposal, both sides finally left the issue to a joint commission for high-level talks and decision.

Thailand, during the meeting, also asked for Burmese permission to install a satellite dish at the Thai embassy in Rangoon to facilitate communications links at various levels of contacts between the two countries. The present medium is not fast enough to accommodate urgent matters, which occur at times. The Thai side cited the latest border incident when Thai authorities spent about 10 hours to get in touch with senior Burmese leaders to settle the problem.

The Burmese side however rejected the idea saying such installation would let a country "enjoy diplomatic immunity" and could set a precedent for others "especially some powerful ones" to follow suit. "They are still doubtful of the Thai proposal. Burma, because of its poor technology, is still suspicious of all these sophisticated equipment. And talk of a satellite dish got them thinking of a foreign intelligence that would work against them (the Burmese)," another Thai meeting member commented.

They in return suggested that the dish be placed at its army intelligence office and that they would have technical experts take care of the equipment. Finally both sides agreed to have their leaders consider and decide on the issue later.

The Thai delegation meanwhile rejected a Burmese request for a Burmese border observation team posted on Thai border, saying such a team was not necessary if communications links between the two countries were improved to facilitate contacts of the existing various levels of joint committee and mechanism.

The Burmese Army has repeatedly asked for a team following Thai complaints over stray Burmese shells landing on Thai soil frequently damaging Thai villages as the result of the battles between Burmese troops and ethnic Burmese minorities on the border for the past two years.

Thailand with its announced neutral position on the ongoing battles between the sides could face a confrontation with the ethnic minority groups fighting for autonomy, which are active along the Thai Burmese border, if it permits such a team, said one Thai delegate. Thailand, for the past decades, has developed an understanding with the Burmese ethnic forces and has reached a tacit agreement on the issue of peaceful co-existence with them. Should the Burmese request be granted it would most likely destroy its long-standing relations with the ethnic forces and this could threaten national security on the border, some border analysts opined.

To rid any misunderstanding, Thailand has proposed to Burma to set up a joint working group to handle and repatriate about 30,000 displaced Burmese in Thailand, who had fled the fighting or had sneaked illegally into Thailand.

A Thai analyst pointed [out] that the Burmese team denied existence of Burmese refugees probably because it feared that international organizations could become involved in such a programme. At the same time it feared international criticism that its people had to flee the country either because of internal unrest or government suppression, a point exiled Burmese dissidents have been advocating.

The Burmese team however responded that such refugees do not exist in its country and said that those displaced Burmese, most of whom are Burmese ethnic people, were mainly "well-wishers of the insurgents."

Thai authorities pointed out to their counterparts that a repatriation of the refugees would resolve the security problem as Rangoon could then control the refugees "suspected" of supporting any active rebel groups.

The Burmese team finally agreed to welcome those who volunteered to return home after a thorough screening of the applicants.

Both sides also touched on many other common problems and left aside unsettled questions for another meeting scheduled for June in Moulmein on the Gulf of Martaban.

A Thai delegate disputed a comment that the meeting did not produce any substantive result, saying the get-together itself was a success as both sides used to doubt one another and have never acquainted themselves nor agreed to sit down to settle the problems.

Sitthi Comments on PRC Visit Before Departure

OW2703122090 Tokyo KYODO in English 0834 GMT 27 Mar 90

[Text] Bangkok, March 27, KYODO—Thai Foreign Minister Sitthi Sawetsila will "explore" during his visit to Beijing, he told reporters Tuesday before leaving for an eight-day official visit to China. Sitthi said he will meet Chinese Premier Li Peng, Foreign Minister Qian Qichen, and Chinese Communist Party General Secretary Jiang Zemin during his visit.

The latest developments in Cambodia will be high on the agenda, he said.

Sitthi said he will propose Bangkok as a venue for talks among China, Vietnam, and Thailand, or all six countries of the Association of Southeast Asian Nations (ASEAN) and the rival Cambodian factions, in a bid to solve the 11-year-old Cambodian conflict. The idea for a Bangkok meeting was first proposed to Thailand by Cambodian resistance leader Prince Norodom Sihanouk early this month.

Sihanouk said Thailand holds the key to Cambodian peace, since it can exert a certain amount of influence on the rival Cambodian factions. Vietnamese Foreign Minister Nguyen Co Thach repeated the same proposal Monday through Thai Army Commander Gen. Chawalit Yongchaiyut who visited Hanoi for a day.

Thai Prime Minister Chatchai Chunhawan, asked his opinion on the proposal, said he needs time to consider it.

Departs With Delegation 27 Mar

BK2703072490 Bangkok Domestic Service in Thai 0530 GMT 27 Mar 90

[Text] Foreign Minister Air Chief Marshal Sitthi Sawetsila and his delegation left Thailand this morning on an official visit to the People's Republic of China to talk with Chinese leaders about a peace settlement for

Cambodia, as well as to sign an agreement on exemption of the indirect tax on income earned from the transport of products from one country to another country. At the VIP room of the Bangkok International Airport, the minister told reporters:

[Begin recording] The main purpose of our trip is to hold talks with our Chinese counterparts on the Cambodian peace settlement—to exchange views as to how the Cambodian problem should be resolved. Apart from that, we will discuss other issues which concern benefits to both Thailand and China, such as trade, in which the Thai-Chinese trade volume has topped about U.S. $1 billion, and is still growing. Accompanying me on this trip are eight leading Thai businessmen who will hold separate talks with their Chinese counterparts. However, upon their request, I will help them in their discussions so that their talks can proceed more smoothly. I hope the visit will meet with success and that it will further strengthen relations between Thailand and China. [end recording]

Officials Deny Charges of Khmer Migration Delay

BK2303012790 Bangkok BANGKOK POST in English 23 Mar 90 p 7

[Text] Thai officials yesterday rejected charges they had deliberately delayed efforts to take displaced Cambodians from border camps to the United States under special provisions. "Every request has been considered without delay on a case-by-case basis," a senior official said.

"For humanitarian or political reasons, we allow small groups of 10 to 15 to go, but we cannot allow large groups to leave at any one time because it would not be proper in view of our policy to repatriate displaced Cambodians," he said.

The official confirmed about 1,400 displaced Cambodians had left for the US since 1985, as reported to the US Senate early this month by Court Robinson of the private-run United States Committee for Refugees (USCR).

The official said another 100 displaced Cambodians of special-case status had gone to France and Australia.

He was commenting on the Robinson report, which charged that Thai officials periodically had "sat on" US requests to interview potential beneficiaries, among the Cambodian border population, of the Humanitarians Parole/Immigrant Visa (HP/IV) Programme. The programme, described by Mr Robinson as "one very limited escape route from the perilous life of the border camps", has admitted displaced Cambodians into the US largely on grounds of family reunification, sources said.

"The major problem has been a mercurial response from the Thai Government on the question of access to the border population for interviews," Mr Robinson said. "For long spells throughout the programme, most recently from January to September 1989, Thai officials have sat on US requests to interview family members and other potential beneficiaries of immigrant visas or parole.

"In November, consular and INS officers began interviewing a backlog of about 750 cases, and this month were given permission to process another 500," he said. Interview requests are made with the National Security Council, the lead agency on refugee affairs.

The USCR policy analyst was also critical of procedures on the US side of the programme.

Agreement Reached on Refugee 'Neutral Camps'

BK2703021590 Bangkok THE NATION in English 27 Mar 90 p 1

[By Kunlachatda Chaiphiphat]

[Text] The planned neutral camps for displaced Cambodians will be established on Thai territory, following agreement at an inter-government agency meeting yesterday. Agreement was reached during the meeting of officials from the National Security Council, the Interior and Foreign Ministries and the Supreme Command at the same time US Ambassador to Thailand Daniel O'Donohue met Prime Minister Chatchai Chunhawan to raise Washington's concerns over the rights of the displaced Cambodians in the neutral camps.

Several senior military officers, including Deputy Supreme Commander Gen Sunthon Khongsomphong, had earlier criticised the setting up of neutral camps on Thai soil warning that Thai sovereignty would be affected by allowing international agencies to run such camps.

Yesterday's meeting resolved that the Khao I-Dang Holding Centre now houses about 40,000 Vietnamese and Cambodian refugees pending repatriation to their countries since their requests to resettle in third countries were rejected several years ago. Khao I-Dang can hold up to 120,000 people.

The meeting did not decide on whether the 300,000 displaced Cambodians would enter the neutral camps on a voluntary or compulsory basis, preferring to leave the question up to the premier. However, Chatchai has said he would allow the displaced Cambodians to freely choose whether to stay with the resistance or register themselves in the neutral camps pending their return to Cambodia.

If and when the plan will be implemented is up to the premier to decide, said the sources.

The government spokesman, Suwit Yotmani, said Chatchai was concerned about the financial aspects of running the neutral camps and asked O'Donohue if Washington would contribute to the operation. No immediate answer was given.

The United Nations High Commissioner on Refugees, the United Nations Border Relief Operation and the International Committee of the Red Cross have publicly said they would agree to run the neutral camps.

Suwit said Chatchai told the US diplomat that the neutral camps were aimed at providing protection to the Cambodians from factional fighting in Cambodia and from being coerced into fighting or portering for any of the factions through dangerous mined areas inside Cambodia.

The 300,000 displaced Cambodians, who fled the ongoing war in Cambodia to Thailand, were not allowed to choose their own camp when they first arrived at the Thai border. Most were taken by one of the three resistance factions from the time they entered Thailand.

Chatchai proposed the neutral camps earlier this month to accommodate the Cambodians pending repatriation following constant reports of factionalism, human rights abuses, bribery and official corruption inside the 11 resistance-controlled camps along the Thai border.

Malaysian Premier Holds News Conference, Departs

BK2503162690 Bangkok Army Television Channel 5 in Thai 1300 GMT 25 Mar 90

[Excerpts] Talks between the Thai and Malaysian prime ministers in Phatthaya were reportedly very successful with several agreements reached. Malaysian Prime Minister Datuk Sri Dr. Mahathir bin Mohamed, who arrived in Thailand yesterday, this morning visited the Laem Chabang deep-sea port, a government project to develop the Eastern Seaboard. He was accompanied by Prime Minister Genera; Chatchai Chunhawan and Foreign Minister Air Chief Marshal Sitthi Sawetsila. [passage omitted]

The Malaysian prime minister then visited the Map Taphut industrial estate in Rayong Province. He expressed interest in the complex and noted that Thailand is far more advanced than Malaysia in this field. The Malaysian prime minister held a news conference in which he reported on the talks he had with Prime Minister Chatchai.

He said that of the 10 topics of discussions, they reached agreement on several issues. Thailand approved Malaysia's request to use Thailand as a bridge to transport goods to Laos, the same way Malaysia allows Thailand to use it to send goods to Singapore.

On trade, Malaysia will be able to export only 120,000 tons of cement to Thailand, a slightly lower volume than before. This is due to the high demand for construction materials in Malaysia currently. Malaysia has proposed for an exchange of automobile parts as Malaysia can already manufacture automobiles, and will send officials here for further discussions.

On television signal interference, Thailand has agreed to change its television channel 8 in the south to channel 12. On tourism, Malaysia says Thailand is far ahead and said it will have to learn from Thailand. To promote tourism, Malaysia will allow tour groups from Thailand to go from the Tarutao island into Malaysia's Langkawi and Adang islands. It has also given Thailand the approval to negotiate with the operators of the express train service from Singapore to Chiang Mai. Malaysia and Singapore have already had discussions on this project.

On Cambodia, the Malaysian prime minister said he is studying the common refugee camp plan. He said there is a need to discuss this matter with the United Nations, ASEAN, the five permanent members of the Security Council, and the four Khmer factions themselves to solve this problem.

Malaysia also thanked the Thai-Malaysian border committee for solving the problem of the CPM [Communist Party of Malaya] guerrillas. On the question of joint border development, they agreed on several major issues and will speed up the signing of agreements as early as possible, especially on investment under Thailand's southern seaboard development program in Krabi Province where Malaysia has expressed an interest.

Of all the issues discussed, there was only one memo signed yesterday, i.e. the ferry service between Narathiwat Province and Pangkalan Kubu in Kelantan. Both prime ministers said they are happy with the results of the discussions on economic and political cooperation and the strengthening of mutual ties. The Malaysian prime minister and his delegation left Thailand for home this afternoon.

General Chawalit Reports on Visit to Hanoi

BK2603151290 Bangkok Army Television Channel 5 in Thai 1300 GMT 26 Mar 90

[Text] Acting Supreme Commander and Army Commander General Chawalit Yongchaiyut has led a delegation of senior Army, Navy, Air Force, police, and Foreign Ministry officials; academics; and businessmen to pay a visit to the SRV as guests of the Vietnamese Government and Gen. Doan Khue, chief of the General Staff of the Vietnam People's Army [VPA]. The purpose of the visit was to strengthen ties and acquaintances with military leaders of the two countries; exchange views on military, technical, and general economic issues; and to eliminate suspicion and create mutual trust.

Upon arrival at Noi Bai Airport, Vietnamese Vice Defense Minister Tran Van Quang welcomed the Thai delegation before accompanying it to meet Gen. Doan Khue, chief of the VPA General Staff and Army commander, at the Defense Ministry reception building. Gen. Chawalit inspected the honor guards there before holding consultations with the Vietnamese officials.

Gen. Chawalit then proceeded to the Ho Chi Minh Mausoleum to lay a wreath, before paying courtesy calls on Defense Minister Gen. Le Duc Anh at the Defense

Ministry Headquarters, Deputy Prime Minister and Foreign Minister Nguyen Co Thach at (Le Thad) reception building, and Prime Minister Do Muoi at the Presidential Palace. At the meetings, both sides had similar views on the settlement of the Cambodian problem. The Vietnamese side called for an end to foreign aid to the Cambodian military forces, particularly sanctuary provided to the tripartite Cambodian forces by Thailand. Gen. Chawalit denied providing such sanctuary and expressed support for the end of military assistance to all Cambodian factions.

Vietnam also proposed a joint meeting of Thailand, China, and Vietnam, or among Thailand, Vietnam, China, and the four Cambodian factions.

[Begin Chawalit recording, in progress, speaking to reporters] ...they raised this issue. The issues discussed were first, the world situation—our views and their views. Most of you already know these views, so I will skip this issue.

Second, they raised certain views for the purpose of strengthening ties between the armed forces of the two countries. In this regard, Vietnam said it will resolutely respect national sovereignty and territorial integrity and refrain from interference in other country's internal affairs. This point is identical to our views.

There were some discussions about the entry of groups of people, who did not behave properly, into another place. Regarding this, our explanation was that we honestly deny that we know anything or have any involvement in the matter. They can verify what we said from our conduct toward other neighboring countries, be it Burma or Malaysia. Thailand has resolutely respected this principle. We will not only respect the principle but will do everything to avoid problems with neighboring countries and create peace in this region. I tried to make them aware of the policy of the kings of the Chakkri dynasty to assure them that Thailand has adhered to this policy for hundreds of years.

I told them that a major factor that creates problems are the groups of people that we call refugees—any form of refugees, be they people who became refugees after the cut-off date on 14 July last year or refugees in any era. Without these groups of Vietnamese refugees or other refugees, these problems would not have occurred. Our prime minister, government, and armed forces are aware of the refugee problem and have tried to correct it. If our two countries can reach an agreement or jointly work earnestly on this problem, it can be solved. We already talked with Laos about this issue, and we have tried to talk with Cambodia, as all of you already are aware. Our view is that there is no benefit in meddling, and that friendly governmental relations are the best thing. This is briefly what my discussions [in Hanoi] involved.

In addition, I emphasized to the Vietnamese that the Thai armed forces regard poverty as the greatest national danger. We have tried to fight a war against poverty. It is a pleasure that the Vietnamese armed forces agreed that they have the same problem.

Another issue is the Cambodian problem. In sum, our Vietnamese friends reaffirmed that all of their forces have been withdrawn and said the two countries should cooperate in solving the Cambodian problem. This is the correct attitude; we have asserted the same thing.

A point that we made clear to them is that the long history of this region proves that once Thailand and Vietnam achieve understanding with each other, problems in the region will definitely be resolved. We respect their views and actions, and on this issue [the Cambodian problem] both countries will work earnestly together. [end recording]

28 SRV Boat People Said To Land in Sattahip

BK2303040590 Bangkok BANGKOK POST in English 23 Mar 90 p 7

[Text] Phatthaya—Twenty-eight Vietnamese boat people have arrived in Sattahip in three separate groups during the past week. The first batch of four men, three women and five children landed at this beach resort on Thursday. They were followed by another group of nine men, one woman and two children on Monday. The third group comprising four men arrived on Wednesday.

All 28 are being detained at the Sattahip District Office pending Interior Ministry instructions.

One of them said they came from An Giang and had spent eight days at sea before reaching Thailand. "We want to go to America or Canada," another refugee said through an interpreter at the district office.

Thai Workers Reportedly Caned in Singapore

BK2303023190 Bangkok BANGKOK POST in English 23 Mar 90 pp 1, 3

[Excerpt] At least 11 Thai workers have been caned for overstaying their visas or working without a permit in Singapore between November last year and March this year, sources said yesterday. The sources said that five other Thais are awaiting the same fate in the island republic.

Ten of the 11 workers were caned three times before being sent to jail. Last month, three Thai workers were caned, the sources said, adding that one of them was caned six times. The sources refused to name the caned workers or the five who are facing the same fate.

Doctors accompanying Public Health Minister Marut Bunnak's secretary, Ongat Klamphaibun, is aware of the caning and the predicament of the five workers.

Last year, the Singaporean Government, in an attempt to solve the problem of foreign labourers working illegally in the country, introduced caning as punishment apart from a jail term. In March 1989, the Singaporean Government announced an amnesty for illegal workers to enable them to leave the country without facing punishment. [passage omitted]

Sources said Thai authorities are concerned that more Thais working illegally in Singapore would be arrested, caned and imprisoned. Of a total of more than 30,000 Thais working in Singapore, some 10,000 are believed to be still working there illegally.

Daily Criticizes Saudi Pressure on Murder Case

BK2203111290 Bangkok THAI RAT in Thai 22 Mar 90 p 3

[Editorial: "Is Thailand Anyone's Colony?"]

[Text] Countries with good bilateral relations usually uphold the principle of equality; show respect for each other's independence, sovereignty, and territorial integrity; and try to help each other willingly. When both countries have monarchies, which is now rare, they normally treat each other very respectfully, whether it is stated in their bilateral diplomatic accord or not.

Thailand and Saudi Arabia have long maintained cordial relations. However, the press and observers of events in Saudi Arabia can see that during the past two decades Saudi Arabia has become very wealthy since monopolizing the oil businesses. Saudi Arabia has thus placed more importance on its relations with Western countries and especially with a very rich country like Japan. Thailand, therefore, may have been classified by Saudi Arabia as a second-class country, and the level of bilateral diplomatic relations is also different from others.

Saudi Arabia may regard itself as an employer nation. It has employed a large number of foreigners from many developing countries to work extensively at low levels, from private families to government enterprises. The Saudi Arabians may think that as employers, they can issue orders at will. Because visas are required for entry into Saudi Arabia, it cannot be clearly stated that officials of the Saudi Arabian embassies in Thailand, the Philippines, Sri Lanka, Pakistan, and India are innocent.

The severe conflict between Saudi Arabia and Iran in 1987 led to the death of about 400 persons in Mecca and the two countries severed their relations, despite the fact that both are Muslim countries but of different religious lines. The incident has led to operations in retaliation against Saudi diplomats all over the world. Unfortunately, an incident took place in Thailand. Three officials of the Saudi Arabian Embassy were murdered in Thailand.

Because Thai authorities have tried their utmost to find the killers of the Saudi diplomats in Bangkok, what the Saudi Government has done to Thailand is intolerable to us. Saudi Arabia has treated us very badly. It suspended granting of visas to all Thai applicants. It insulted us by not even giving a minister a visa to Saudi Arabia. Thais residing in Saudi Arabia have been mistreated. Saudi Arabian police have been sent to keep close watch on operations by Thai authorities concerning the murder case, as if Thailand were Saudi Arabia's colony. It sends its police as if to direct Thai police, sends its new charge d'affaires to replace the former one, and gives an ultimatum that if Thailand fails to arrest the culprits in three months Thai-Saudi diplomatic relations will be severed.

Thailand has always tried to maintain bilateral relations but Saudi Arabia has treated us badly and this is unacceptable to us. It tries to put more pressure on us, as if it wants us to make hasty arrests. Therefore, let us not wait any longer. Let us sever our diplomatic relations so that the world will know we are no one's colony.

Suspect in 1 Feb Saudi Murders Arrested

BK2703022390 Bangkok BANGKOK POST in English 27 Mar 90 p 1

[Text] Police have arrested a man in Pattani who is suspected to be one of the gunmen in the February 1 killing of the three Saudi Arabian diplomats, sources said. The man was arrested last week by village headmen and placed in police custody, according to the sources. Police are hunting another suspect who narrowly escaped.

Meanwhile a police team is monitoring five other people believed implicated in the Saudi murders, the sources said.

The suspect, identified as Suchat Hairabi, 28, has denied involvement in the killings. It not known where he is detained.

Interior Minister Banhan Sinlapa-acha said yesterday that "good news" on the progress of the investigation may be announced soon. Mr Banhan's remarks came after his meeting yesterday with Saudi Arabia's new charge d'affaires Muhammad Khoja. He said he had been asked by Mr Khoja to clarify the diplomat's role in the murder investigation. Mr Khoja wanted the Thai media to know that he had not interfered with the investigation and that no deadline had been set for the case to be resolved to his government's satisfaction, according to Mr Banhan.

"We tried to stress the good relations between the two countries," the minister said. "The charge d'affaires said he felt very sorry to see such reports," he added.

After the meeting, Mr Khoja held a closed-door meeting for about 90 minutes with Police chief Gen [General] Sawaeng Thirasawat, Metropolitan Police Commissioner Pol Lt-Gen [Police Lieutenant General] Winit Charoensiri, Metropolitan Police Deputy Commissioner Pol Maj-Gen [Major General] Thanu Homhuan and Bangkok South Metropolitan Police Commander Pol Maj-Gen Thawi Thippayarak.

France Accepts Thai Arms Venture Proposal

BK2303042790 Bangkok THE NATION in English 23 Mar 90 p 2

[By Yindi Leotcharoenchok]

[Text] French Deputy Defence Minister Gerard Renon has informed the Foreign Ministry that France has agreed to Thailand's proposal to build a joint arms factory here. Renon told Foreign Minister Sitthi Sawetsila that Paris agreed to the proposal during a courtesy call yesterday, according to Suraphong Chaiyanam, deputy director general of the Information Department

Prime Minister Chatchai Chunhawan first made the proposal during his visit to Paris last year and reiterated his idea to French Prime Minister Michel Rocard during his visit to Thailand in January. Chatchai reportedly told the French defence minister that the presence of joint defence plant would provide Thailand an opportunity to gain new technology.

Suraphong said both sides will meet again to work out details of the project.

During his courtesy call, the French minister also told Sitthi that France, after researching the proposal, will support Thailand's bid to serve as a regional service centre for Airbus Industries aircraft.

Aside from bilateral concerns, Sitthi and Renon also discussed the 11-year-old Cambodian conflict.

The ministers exchanged information on the outcomes of informal regional talks in Jakarta last month and a meeting in Paris of the five permanent members of the UN Security Council, according to Suraphong.

Sitthi reportedly told Renon that although all parties concerned had agreed in principle to a UN role in the Cambodian settlement, issues relating to the scope of UN involvement are still unresolved. Issues of power sharing among the four contending Cambodian factions also need to be worked out, Sitthi said.

Armed Forces Chief Chawalit Resigns 27 Mar

BK2703111490 Hong Kong AFP in English 1106 GMT 27 Mar 90

[Text] Bangkok, March 27 (AFP)—Thailand's Armed Forces Chief General Chawalit Yongchaiyut announced Tuesday that he had resigned. He told reporters that he had submitted his resignation Tuesday to Prime Minister Chatchai Chunhawan in his capacity as defense minister.

Gen. Chawalit, 58, who is commander-in-chief of the Army and acting supreme commander, did not say when his resignation would become effective. But political sources said it would probably be on Friday.

Police Seek Source of Anti-Suchinda Leaflets

BK2203014590 Bangkok THE NATION in English 22 Mar 90 p 2

[Text] The armed forces and the Police Department are trying to locate the source of an anonymous leaflet that attacks Deputy Army chief Gen [General] Suchinda Khraprayun, a senior army officer said yesterday. Army Secretary General Anuson Kritsanaserani said whoever was behind the leaflet must face prosecution because of the potential it has to create divisions in the armed forces.

Anuson said the leaflet, which also attacked several other armed forces commanders, was intended to destroy the confidence of soldiers in their superiors and was therefore a threat to national security.

The anonymous broadside, circulated among armed forces units in and around Bangkok last week, accused the deputy army chief and other Chunlachomklao Military Academy Class Five graduates of corruption. The leaflet went on to say that Gen Suchinda, tipped as the most likely choice to replace Army chief Gen Chawalit Yongchaiyut, did not deserve the top army post.

Many top armed forces posts are held by Class Five graduates.

Suchinda on Friday [16 March] dismissed the accusations as groundless.

Anuson, however, said most of top armed forces officials told him that they did not pay any attention to the letter.

Army Chief of Staff Gen Sunthon Khongsomphong said he suspected the Communist Party of Thailand was behind the leaflet.

Gen Chawalit said yesterday the leaflet did not deserve attention.

"No armed forces officials are stupid enough to launch such a campaign," Chawalit said. There were allegations earlier that some armed forces officials who missed top posts because they were given to Class Five graduates had distributed the leaflet.

Call To Return Democracy to People Analyzed

BK2303140090 Bangkok SIAM RAT in Thai 23 Mar 90 p 8

[Editorial: "The Case of Calling for the Return of Democracy to the People"]

[Text] Since 15 February, we have kept a close watch on a public debate organized by the Solidarity Party on the topic, "Death Sentence by Shooting for Major General Sanan Khachonprasat," as a consequence of the controversial Suan Kitti Reforestation Company scandal and the performance of the government in other areas. On the occasion of the debate, another stage was set up by a group of people. First, we thought the stage was constructed to disrupt the activities of the Solidarity Party, but it was not. Finally, it was discovered to be an operation of the so-called Thai Students Ad Hoc Center, whom no one had ever heard of before. The center gathered people from various provinces to complain to the government about their sufferings. An interesting demand made by these people was "the demand for government to return democracy to the people." We remember that this particular demand was made once before by the so-called "Revolutionary Council," dubbed by the press as the "joke council" and "comedian council."

If this was the same group as the Revolutionary Council, one may wonder whether it involved Prasoet Sapsunthon, a former Politburo member of the banned Communist Party of Thailand who defected to Thai authorities and became a key advisor to the Thai Armed Forces in mapping out Policy 66/23.

If this speculation is correct, such an activity can be regarded as another political movement aimed at agitating the present democratic government. The group openly demonstrated that it does not agree with the existing democratic system, and demands the return of democracy to the people.

This attitude is wrong, because at present we do have a government which was formed through democratic channels and in accordance with the legislation of the Constitution. If the movement group wants such a change, the present Constitution will have to be amended. This amendment can only be made by the existing Thai Parliament and not by any other organization established without legal approval.

We believe that the people participating in the rally must have been misled by a certain person or group of people whose main objective is to create public disorder and encourage the people to disrespect the existing democratic system. This is a very dangerous move.

We believe that our existing democratic system is good enough at present. If there are certain imperfections involving certain individuals or administrative mechanisms, they can be improved or corrected.

Following these demonstrations calling for a return of democracy to the people, all sides should now consider whether there are weaknesses or deficiencies in our democratic system which need to be revised so that the people can equally enjoy their rights and freedoms. A certain group of people should not be allowed to use any weaknesses or deficiencies as instruments to overthrow the existing democratic system.

Vietnam

Reportage, Comment on Thai Delegation Visit

Hanoi Radio Reports Activities

BK2603154490 Hanoi Domestic Service in Vietnamese 1400 GMT 26 Mar 90

[Text] A high-level Thai military delegation led by His Excellency General Chawalit Yongchaiyut, commander in chief of the Thai Army and acting supreme commander of the Royal Thai Armed Forces, arrived in Hanoi on the morning of 26 March for an official friendship visit to Vietnam. The delegation was accompanied Thai scientists, businessmen, and press correspondents. The delegation was officially welcomed at a grand ceremony held at the Defense Ministry's Guest House.

Immediately after its arrival, the high-level Thai military delegation led by His Excellency Gen. Chawalit Yongchaiyut held talks with a high-level Vietnamese military delegation headed by Gen. Doan Khue, vice defense minister and chief of the General Staff of the Vietnam People's Army [VPA]. Also taking part in the talks on the Thai side were His Excellency Rangsan Phahonyothin, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to the SRV; on the Vietnamese side were Vice Defense Minister Senior Lieutenant General Tran Van Quang and Vice Foreign Minister Le Mai. Greeting the high-level Thai military delegation, Gen. Doan Khue said: Vietnam and Thailand are two Southeast Asian countries bound by fine traditional relations. In the early years of this century, our President Ho Chi Minh had lived with the people of many localities in Thailand. In our war of resistance against the French colonialists, there was also a fine relationship between Vietnam and Thailand. Our attitude is to let bygones be bygones and to eliminate misunderstanding. Therefore, immediately after the anti-U.S. war of resistance had achieved total victory, our two countries established diplomatic relations.

His Excellency Gen. Chawalit Yongchaiyut expressed his honor and joy at having the opportunity to visit Vietnam and conveyed the respect of the people and Royal Armed Forces of Thailand for the Vietnamese people and the VPA. He agreed with Gen. Doan Khue that, in the future, the relations between the two armies will create the basis for the relations between the two countries and peoples in all aspects.

Gen. Doan Khue clearly pointed out: Our meeting today took place at a time when the regional situation is undergoing very rapid changes. Both Vietnam and Thailand wish and have the responsibility to contribute to making the situation in the region peaceful, secure, stable, and conducive to development. Vietnam and Thailand should improve their bilateral relations and take them to a new stage of development to serve the long-term interests of the two countries and the rest of the region. On our part, it is our policy always to respect the independence and sovereignty of Thailand and not to interfere in the internal affairs of Thailand or other countries. We always attach importance to the relations between Vietnam and Thailand and respect and respond to the aspirations of the Vietnamese and Thai peoples—namely peace, cooperation, and friendship. There should be agreement on principles serving as the basis for our friendship and cooperation, and some immediate measures should be carried out to create a relationship based on trust between the two sides. The two delegations discussed a number of relevant issues of mutual concern to the peoples and armies of Vietnam and Thailand. The talks concluded with fine success amid a cordial atmosphere marked by friendship and mutual understanding.

Gen. Doan Khue hosted a banquet in honor of the high-level Thai military delegation and the other Thai guests accompanying it. On the same day, Defense Minister Le Duc Anh received His Excellency Gen. Chawalit Yongchaiyut and his party. At the reception, Gen. Le Duc Anh said: Vietnam and Thailand are two peace-loving nations. Our two armies are defenders of peace. This official friendship visit to Vietnam by the high-level Thai military delegation marks the development of the friendship and strengthens the mutual understanding between the peoples and armed forces of the two countries. The good neighborly relations between Thailand and Vietnam positively contribute to the defense of regional peace and stability.

In the afternoon of 26 March, at the Presidential Palace, Council of Ministers Chairman Do Muoi received and had cordial talks with the high-level Thai military delegation and the Thai scientists and businessmen. Chairman Do Muoi voiced his hope that Vietnam and Thailand will further strengthen their solidarity, friendship, and cooperation and will jointly make great efforts in solving issues of mutual concern for the sake of prosperity and happiness of the two peoples. Chairman Do Muoi asked His Excellency Gen. Chawalit Yongchaiyut to convey his regards and wishes for good health to their majesties the king and queen and his excellency the prime minister of Thailand. His Excellency Gen. Chawalit Yongchaiyut solemnly invited Chairman Do Muoi and a Vietnamese military delegation to visit Thailand. During its stay, the high-level Thai military delegation and the Thai scientists and businessmen paid tribute to President Ho Chi Minh in his mausoleum; paid a courtesy call on Nguyen Co Thach, vice-chairman of the Council of Ministers and foreign minister; and toured some areas in Hanoi capital. At 1630 on 26 March, the Thai delegation left for home, concluding its official friendship visit to our country with fine results.

Proposal for China Meeting

BK2703013390 Bangkok BANGKOK POST in English 27 Mar 90 pp 1, 6

[Text] In an apparent response to a proposal broached by Cambodian resistance leader Prince Norodom Sihanouk, Vietnam said yesterday it is ready to meet China to discuss the Cambodian conflict in Bangkok. The response came from Vietnamese Foreign Minister Nguyen Co Thach during his meeting with Army chief Gen Chawalit Yongchaiyut who led a 96-man delegation to Vietnam yesterday—the first-ever visit by a Thai Army chief since the fall of South Vietnam. Mr Thach suggested that Thailand and Vietnam should first meet to discuss the Cambodian conflict. After that a meeting between Thailand, China and Vietnam should be held to resolve the 11-year conflict. The Vietnamese Foreign Minister said it would even be better if the Thai-Vietnam bilateral talks and the tri-lateral meeting are held at the same time, sometime next month. China apparently has no objection to a tri-lateral meeting, Mr Thach said.

The Vietnamese response comes as Foreign Minister Sitthi Sawetsila leaves Bangkok today for Beijing, where he is certain to discuss with top Chinese officials fresh efforts to resolve the Cambodian conflict. In an interview with selected reporters earlier this month, Prince Sihanouk suggested that Thailand—which he said held the key to the Cambodian conflict—organise a meeting between China, Vietnam, Thailand and ASEAN to resolve the Cambodian conflict. Prince Sihanouk also suggested that the warring factions attend. The prince said that following the failure of the Paris and Jakarta peace talks, the Cambodian problem should be solved by countries in the region. The only difference between Prince Sihanouk's proposal and Mr Thach's comments is that the Vietnamese Foreign Minister did not mention the inclusion of ASEAN in the proposed Bangkok talks.

Regarding the Sihanouk proposal, Gen Chatchai on Sunday [25 March] said it would be premature for Thailand to host such a meeting. The Prime Minister said he needed time to consider the prince's proposal, adding that "if we do something, we want to get a positive result. We want success." Mr Thach said he is due to visit Paris and would have to come through Bangkok. "If at that time Vietnam and Thailand can meet on Cambodia it will be good," Mr Thach said. "If I go to Bangkok and Thailand organises a China-Thailand-Vietnam meeting, it would be even better," Mr Thach told the Army chief. Mr Thach said he supported a tri-lateral meeting which would also include the warring Cambodian factions. Gen Chawalit appeared to be taken back by Mr Thach's comments and said that Thailand welcomed efforts to resolve the Cambodian conflict, but remained non-committal as to whether Thailand is prepared to host such a meeting. Mr Thach pressed further, saying that if in April Thailand can organise a meeting, "can we meet, is that possible?"

Gen Chawalit said he was personally happy that Vietnam and China had improved ties and was confident that this would help solve the Cambodian problem. The Army chief asked whether Vietnam had sounded out China on a tri-lateral meeting proposal. Mr Thach said that as far as he knew from the Vietnamese ambassador in Beijing, China had no objections to such a meeting. The Army chief said that both Prime Minister Chatchai

Chunhawan and Foreign Minister Sitthi Sawetsila were both determined about the Cambodian problem.

Earlier in their discussion, Gen Chawalit said that a climate of confidence between Vietnam and Thailand would "allow not only for a solution of the Cambodian problem but also of bilateral problems and those of the region." Mr Thach added: "When relations between countries are friendly and confident, conditions will be created for a solution of the Cambodian problem" and to let the Cambodian people "resolve their own affairs." He also said that if there is trust between Thailand and Vietnam, the Cambodian conflict can be resolved.

During his trip, Gen Chawalit also met with Prime Minister Do Muoi, Defence Minister Gen Duc Anh and his Vietnamese army chief Gen Doan Khue, and invited all three to visit Bangkok. Gen Chawalit said during his meeting with Mr Muoi that he believed a Cambodia solution was a prerequisite to normalised relations between Bangkok and Hanoi and even "the supreme foundation for bilateral cooperation." Mr Muoi had earlier demanded that "now that the Vietnamese troops have left" Cambodia, Thailand must stop giving the three Cambodian resistance factions sanctuary on Thai soil. Hanoi said in September last year that it had withdrawn all its troops from Cambodia but the pullout was not independently monitored and the resistance say Vietnamese soldiers are still stationed in the country. Gen Chatchai recently proposed that resistance-run camps along the border with Cambodia be placed under direct United Nations supervision. Mr Thach said that Bangkok's desire to "neutralise" these camps was "a very good thing and constitutes an important step towards a global solution of the Cambodian conflict."

Minister Doan Khue told Gen Chawalit that while the past should be forgotten, Vietnam still had two concerns. Vietnam, he said, wanted Thailand to stop assistance to resistance groups operating in Vietnam. [as published]. The second problem was the Cambodian issue which should be resolved because Vietnamese troops had already withdrawn. In response to the first, Gen Chawalit denied that Thailand supported resistance operations in Vietnam [as published]. The Vietnamese leaders emphasised during their meetings with the Army chief that trust needed to be forged between the two countries which would ensure peace, prosperity and stability, not only for the two countries but also for other countries in the Southeast Asian region.

Station Commentary

BK2703110190 Hanoi International Service in English 1000 GMT 27 Mar 90

[Station commentary]

[Text] A high-level military delegation from Thailand led by General Chawalit Yongchaiyut, army commander in chief and acting supreme commander of the Thai Royal Army, has completed an official and friendly visit to Vietnam. Here is our comment on this event: Vietnam and Thailand are two nations in Southeast Asia with long-standing relations. In the early years of this century, the late President Ho Chi Minh of Vietnam lived with the Thai people in various localities in Thailand. The two nations also had good relations during the anti-French colonialists resistance war. It helps the two peoples to eliminate misunderstanding and to exchange important visits.

The delegation of Gen. Chawalit spent only one day in Vietnam, on 26 March, but achieved significant results. Gen. Chawalit is the first high-ranking official from Thailand to visit Vietnam since 1975. Immediately after his arrival, Gen. Chawalit expressed his honor and joy visiting Vietnam, a country with positive reforms and renovation, and spoke of the Thai people's and Royal Army's respect for the Vietnam People's Army. Before visiting Vietnam, Gen. Chawalit had spoken and acted in favor of Vietnam. People will never forget his statement that Thailand never regards Vietnam as an enemy, but as a good friend and a partner in dialogue. Also in this one-day visit, Gen. Chawalit had talks with Chairman of the Council of Ministers Do Muoi, and a number of Vietnam's brass hats and with Foreign Minister Nguyen Co Thach. On this occasion, Gen. Chawalit reaffirmed his warm feeling toward Vietnam, considering it a foundation for development of comprehensive relations between the two countries.

The Thai delegation also included many scientists, businessmen, and newsmen. In their one-day visit to Vietnam, they had called at various places in the capital city. They were moved and shared the same view with Chairman Do Muoi that Vietnam and Thailand hoped for further development and consolidation of the bilateral relationship and cooperation and wished to join in efforts to solve questions of mutual concern. The visit to Vietnam by the Thai high-level military delegation marks the new development in the bilateral relationship and helps strengthen mutual understanding between the two peoples and the two armies. This trip also consolidates mutual trust and helps both sides to understand each other's stand on questions of mutual concern. These results are of great significance, enabling both Vietnam and Thailand to act more positively for peace, stability, and development in the region.

Article Discusses Basic Party Organizations

BK2503133390 Hanoi TAP CHI CONG SAN in Vietnamese Feb 90 pp 15-19, 32

[Unattributed article: "Enhance the Leadership Ability and the Militancy of Party Cells"]

[Text] The country as a whole now has 41,777 party cells, of which there are 15,586 basic party organizations (representing 37.3 percent) and 26,191 basic party chapters (accounting for 62.7 percent).

Over the years, although faced with the challenges of the socialist revolution, with the country's socioeconomic difficulties, and with those major, fast-changing turbulent events that have swept through a number of socialist countries, the majority of party cells have still been able to stand firmly on their own feet. Always faithful to the revolutionary undertaking and confident in the leadership of the party Central Committee, they have strived to apply satisfactorily all policies, lines, and resolutions of the party; uphold their sense of responsibility; and listen to the masses' views. They have therefore overcome numerous difficulties in taking the mass movement forward and accumulating good experiences.

However, more than a few party cells (approximately 30 percent) are still in a prolonged state of weakness. Of these, many party organizations and party chapters no longer deserve their name, but there is no attempt to reorganize or dissolve them. This state of weakness is ascribed to the fact that there is no attempt to improve the knowledge, leadership ability, and socioeconomic management skills, especially actual organizational skills, of basic party committees and of party members to suit new requirements. Party cells' influence on the implementation of political tasks and renovation work at the grass roots is still not tangible. Their militancy has shown a decline, serious as it is in certain localities.

Many basic cells have failed to firmly grasp their own functions and tasks, thus leading to two commonly-seen tendencies: Party cells have either taken for themselves the work of other people—in this case, they have interfered too deeply in the management and direction of work of the administration, economic organs, or mass organizations—or they have just let things go uncontrolled, thus negating their own leadership role. Party cells' leadership over mass organizations is still carried out for form's sake, and it is heavily characterized by red tape. On the other hand, party organizations and party members at the grass roots have, in fact, not truly served as a good example for mass organizations and the people to follow.

In the current renovation undertaking, while the management mechanism is being subject to comprehensive renovation, the party, the state, and mass organizations are shifting the emphasis of their activities toward the grass roots, and the world situation in general and the situation in various socialist countries in particular are facing swift-changing, complex, turbulent events, the role of party cells now has become more important than ever before. This requires that party cells be promptly strengthened and perfected to increase their leadership ability and militancy. Naturally, to enhance the leadership ability and militancy of party cells, we must uniformly tackle a host of issues, including the following fundamental ones:

1. We must first clearly define the functions and tasks of party cells. This issue is not simple. More than a few party committees and party members, including leading cadres, have failed to understand correctly and fully the functions and tasks of their party cells. While efforts are being made to develop the commodity-based multisectoral economy, renovate the management mechanism, broaden foreign economic relations, and carry out democratization, there has been no attempt to clearly and concretely define the general ideas about renovating the economic system, party leadership, and functions and tasks of party cells. When the functions and tasks of party cells are not clearly defined or fully understood, the guidelines, goals, and measures for enhancing the leadership ability and the militancy of party cells will be inappropriate and lack scientific character. Their efficiency will therefore be very poor. The functions and tasks of party cells have already been expounded in Articles 29, 34, and 35 of the Party Statute. Faced with the current requirements for renovation, it is necessary to underline the following specific points:

—We must note that the party is a political organization and not a ruling organization or a professional economic management organ. Only by clearly realizing this fact can we overcome the state of the party's taking over the work of the administration and of management organs and end the practice of the party's working beyond the framework of the law—showing no respect for the law and the people's right to mastery.

—In their capacity as a political leading nucleus of the party at the grass roots, party cells must straightforwardly renovate the essence and methods of their leadership, trying to renovate their organization and activities in the direction of truly respecting and developing the role of various administrative organs, economic organizations, and mass organizations, and ensuring the people's right to mastery. It is necessary to attach importance to leadership work and to political and ideological indoctrination, improve the socialist awareness of party members and the masses and create conditions for party members and the masses to participate in formulating plans and resolutions for the collective of workers and management organs, ensuring that they are accurate and compatible with the viewpoints and guidelines of the party and the state law.

—Party cells must correctly carry out their control functions with the use of many measures, such as organizing direct controls or combining the control by the party with the control by the masses. They must hear management organs and unit leaders report on their planned activities and on the results of the implementation of their plans, on the enforcement of the state policies and laws, on the application of scientific and technical innovations in production, and others. Through their control efforts, they must involve themselves deeper in examining various matters—namely conceptions and viewpoints, the application of policies, the role of party cadres and members, the welfare of the laboring people, and the people's aspirations—in order to give their advice to the management organs and unit leaders concerned and make suggestions about matters deemed necessary. Party cells must carry out their duty of improving and developing the sense of responsibility, dynamism, and creativity of unit leaders and the operating mechanisms of the administration or the management organs concerned while developing the wisdom and experience of party cadres and members and of the masses in implementing the political tasks of the units concerned; preventing all acts that run counter to the party resolutions and the state law; and promptly overcoming negative phenomena at the grass roots.

—Grass-roots party committee echelons must pay attention to providing leadership for the formulation and implementation of cadre-related plans and prepare and recommend cadres with administrative and management organs and mass organizations, while inspecting the implementation of cadre-related policy at the grass roots.

2. Strengthening and improving the quality of the contingent of key cadres at the grass roots is of decisive significance for improving the leadership ability and militancy of party cells. There have been cases where the revolutionary movement could not develop because key cadres were not properly assigned, despite the fact that members of party cells had relatively high quality. If these key cadres were reassigned, they would be able to help the movement effect a visible change for the better. Requirements for strengthening the contingent of key cadres at the grass roots now differ from what they were previously. They need structural uniformity and better quality.

—Various echelons and sectors must take steps to actively foster and improve the general knowledge and leadership ability of the contingent of key cadres at the grass roots, particularly in connection with economic and state management according to law, with party building, and with mass motivation. At the same time, they must continue to reexamine and reevaluate the contingent of key cadres at the grass roots and must promptly replace those cadres who fail to meet requirements of their tasks; who deliberately misinterpret or refuse to implement party lines and resolutions and state policies and laws; who commit wrongdoings or serious shortcomings with regard to their conduct, ethical quality, and life-style; or who lose the trust of the masses at the grass roots. Such a reexamination must be given close guidance and be carried out in a truly democratic, open, objective, and scientific fashion.

—On the basis of a standardization of each position, we must work out measures to fundamentally consolidate the contingent of key cadres at the grass roots. As far as enterprises are concerned, efforts must be made to improve party committee secretaries, enterprise directors, trade union presidents, and youth union secretaries. As for villages, city wards, and towns, attention must be paid to strengthening party committee secretaries, people's committee chairmen, youth union secretaries, and cadres in charge of public security and military organizations.... Regarding other basic party organizations, efforts must be devoted to heightening the roles and responsibilities of party secretaries and unit chiefs.

—Key cadres at the grass roots are in positions of authority. Therefore, along with helping these cadres improve their capabilities and knowledge, special attention must be given to helping them improve their revolutionary quality so they can remain attached to and respect the people and satisfactorily implement the principle of securing democracy, openness, and social justice.

—It is necessary to apply a uniform, appropriate remuneration policy toward key cadres in charge of administrative units (at the village, city ward, or town level) and to guarantee conditions for key cadres—first of all, people's committee chairmen and party committee secretaries—to enjoy the same benefits as bureau chiefs and committee chairmen at the district level.

3. Efforts to improve the leadership capabilities and militancy of basic party organizations must go hand in hand with attempts to enhance the quality of party members because the quality of basic party organizations is closely connected to the quality of party members. What is the real stature of party members at present. Research conducted by various localities and sectors over the past several years indicates that:

—Only about 30 percent of party members have truly maintained revolutionary quality and ethics; have displayed a sense of responsibility, discipline, and organization; have had the determination to overcome difficulties in order to fulfill the duties entrusted to them; and have satisfactorily developed their exemplary vanguard role. Quite a large number of party members (approximately 60 percent) have failed to positively develop their exemplary vanguard role and to defend the truth and struggle against wrongdoing. Instead, they have only cared for their personal interests; have shown no interest in party functions, mass activities, and social activities; and have adopted a wait-and-see attitude. Generally speaking, these party members are no better than people outside the party. Another component (about 10 percent) is degenerate, deviant, and marked by such manifestations as opportunism, abuse of power and position, bullying of the masses, serious graft and corruption, decadent life-styles, and factionalism that causes grave disunity. Such party members can be found at any level and in any branch, but a particularly large number of them can be found in the branches, units, and components dealing with finance, supplies, and personnel, and even in those organs charged exclusively with serving and protecting the people.

—The number of party members who are pensioners is steadily growing (18.2 percent of the total number of party members), most of them congregating in villages, subwards, and townships, and having different levels of capability and aspirations. A majority of these pensioners have been through the two wars of resistance and are credited with numerous meritorious services, achievements, and a great deal of experience.
—The number of party members who are workers directly participating in production is still small (about 8.8 percent).
—The number of young party members (under 30 years of age) has decreased, from 23.5 percent (before the sixth party congress) to 21.3 percent (by the end of 1988).
—The number of party members admitted after 30 April 1975 accounts for 44.19 percent of the total party membership.
—Not a small contingent of party members has become less devoted to the party, indifferent to political issues, pessimistic, discouraged, and less confident in the ability of the party and state leadership to solve difficulties and extricate the country from the current crisis.

Obviously, improving the quality of party members is a very pressing question at this juncture. To do a good job of improving the quality of party members, the basic task is to clearly define the requirements that party members must fulfill in the current stage of the revolution.

Party members differ from non-party members in their awareness of socialist and communist ideals, their sense of self-denial, their level of political knowledge and leadership, and their ability to take the lead in implementing the party's and state's lines and policies. If, during the former national democratic revolution, party members had to set examples in the life-and-death struggle to liberate the country and win power, they must now set examples in satisfactorily settling the relationship between individual and collective interests and must make utmost contributions to building socialism and defending the socialist fatherland. Party members must be pioneers in renovation, adopt a positive attitude toward renovation, and have the knowledge and ability to renovate.

Party members must engage in labor and not advocate exploitation. In the current conditions, our party encourages all members to strenuously struggle and do their utmost to work creatively with high-quality results to help eliminate poverty and backwardness, enrich the country, stabilize and raise the people's living conditions, and, at the same time, legitimately raise their income. The party encourages workers, including party cadres and the people, to engage in family-based economy work in accordance with the prescribed policy in order to increase their income. Retired party cadres are authorized to organize productive labor and service collectives and to receive distribution according to their labor in those collectives. Party members with capital are authorized to hold shares in those labor collectives and other state-run economic units and to earn interest in accordance with state policies. However, as party members, they must not be exploiters. The fundamental spirits are manifested in the resolution of the fifth plenum of the sixth party Central Committee.

Along with determining what is required of them, party members must be educated in line with the requirements of renovating the country; the practice of conducting perfunctory political and ideological education without thoroughly studying each grass-roots level installation and each individual party member must be overcome. Leading cadres and secretaries of party committees and chapters and all party committee echelons should meet with each party member to understand him, exchange views with him, solve his problems, and satisfy his aspirations. To enhance the quality of party members, we must recruit good people and eliminate unqualified members. The goal of party development is now directed toward technical workers, workers directly engaged in production, and scientific and economic management cadres in sectors where the research in and application of technological progress and managerial measures have a major impact on accelerating development of the national economy. While setting high the requirement for awareness of the communist ideal, it is also necessary to emphasize the cultural requirement when recruiting party members.

The expulsion of unqualified members from the party is primarily aimed at bad, opportunistic, degenerate, deviant, divisive, factional, and very corrupt people—those who lack combat will and do not deserve the title of party member. We should not confuse cases of party members lacking combat will with those of old, weak, and poorly educated party members whose roles are limited because they were not able to further their education. As for those party members who are still physically able but whose sense of duty is no better than that of ordinary people and whose awareness is poor and no longer effective, they can be motivated to forfeit their party membership.

4. Renovating and improving the activities of party organizations and chapters, party committees, and party chapter committees is an important measure aimed at enhancing the leadership ability and militancy of party cells. The party cells' most fundamental tasks are to carry out regular activities and bring the collective intellect into full play in order to discuss, firmly grasp, and implement the party's and state's lines and policies, seriously conduct self-criticism and criticism, ensure ideological and militant characteristics in party activities, satisfactorily train and manage party members, and vigorously strengthen the control work of party cells.

The activities of party organizations and chapters should be concrete and practical. This includes discussions on issues related to party lines and policies on renovation, on the tasks of localities or units in the renovation cause, and on plans to implement these tasks and so forth.

Reality shows that good party organizations and chapters that consistently carry out activities with concrete contents can satisfactorily guide and implement the political task and can strengthen their internal unity. On the other hand, party organizations and chapters that carry out activities with poor contents that are inconsistent with the party lines face rising negative phenomena experience an increasingly loose relationship between the party and the masses and fail to fulfill the political task. This indicates that the leadership ability and militancy of these party cells are still very poor.

5. Whether or not party cells are strong depends chiefly on their own composition. However, the sense of responsibility, leadership, and guidance of higher echelons, especially those immediately above the party cells, must be taken into consideration. In the current situation, these echelons should pay special attention to party cells and take concrete measures to consolidate them, especially the weak ones; they should recruit a number of educated, competent cadres—cadres with economic and military knowledge and security and party building backgrounds—to reinforce party cells, especially those in key areas.

In guiding party cells, the higher echelons, especially those immediately above the party cell level, should pay special attention to the following key tasks: Firmly control the contingent of key cadres at the grass roots; help the grass-roots level assign, foster, and train these cadres; and bring the dynamism and creativity of grass-roots level installations into full play in implementing the party's and state's lines and policies, in organizing labor productivity and the people's daily life, and in building and reviewing progressive models while taking prompt measures to help strengthen weak grass-roots level installations.

Party-State Directive on Army Political Drive

BK2403151590 Hanoi Domestic Service in Vietnamese 1400 GMT 22 Mar 90

[Text] The party Central Committee Secretariat and the Council of Ministers' standing committee recently decided to launch a political drive for building the people's armed forces, consolidating national defense, defending the socialist fatherland, and maintaining political security and social order and safety. The purpose of this political drive is to enhance honor and pride in past achievements and contributions and raise the sense of responsibility for further accelerating the fulfillment of duties in the days ahead. Concerning the scope of the drive, the directive specified:

On the basis of thoroughly understanding the resolutions of the sixth party congress, the various party Central Committee plenums, and the Political Bureau on the duties of national defense and security and the urgent tasks in the new situation, action will be taken to examine the achievements scored by local cadres and people in helping develop the people's armed forces; defend territorial sovereignty and the socialist regime; maintain political security, social order, and safety; and implement the Army's rear policy since the victory over U.S. imperialist aggressors and the national reunification. Requirements will then be raised to develop strong points and overcome weaknesses to consolidate national defense, more firmly defend national independence and socialism, and select those villages, districts, and socioeconomic units with outstanding achievements and recommend them for state awards.

Implementing this directive, the General Political Department of the Vietnamese People's Army has established plans to guide all units in carrying out this political drive. The guidance clearly stipulates the purpose, requirements, concrete tasks, steps of implementation, and problems to be dealt with in the organization and implementation of the drive.

NHAN DAN Marks Lao Party Anniversary

BK2403131190 Hanoi Domestic Service in Vietnamese 2300 GMT 21 Mar 90

[NHAN DAN 22 March editorial: "The Lao Revolution's Glorious Vanguard Unit"]

[Text] Today, the Lao People's Revolutionary Party [LPRP] celebrates its 35th founding anniversary. The past three and a half decades have been a stage full of difficulty and hardship, but also glorious victory for the LPRP. Under its leadership, the Lao people have united and fought shoulder to shoulder with the other fraternal peoples on the Indochinese peninsula, thus enabling them to succeed in their glorious undertaking. The great victory on 2 December 1975 resulted in the liberation of the entire country and the establishment of the Lao People's Democratic Republic [LPDR]; it marked an historic turning point by advancing the Lao revolution into a new era—the era in which the country enjoys total independence and freedom and the Lao people truly become masters of their own destiny.

In the new revolutionary stage, despite many complex changes in the world and regional situations, under the LPRP's banner of leadership and by continuing to develop their revolutionary gains and overcome numerous difficulties and ordeals, the Lao people have been able to score new achievements. Based on the realities faced by the Lao revolution and the experiences acquired by some fraternal parties, the Fourth LPRP Congress in November 1986 decided to change the ways of thinking, especially economic thinking, and renovate the economic management mechanism, organizational system, and work style. The fourth congress' guidelines for renovation—especially in the socioeconomic domain—were later concretized by various party Central Committee plenums.

While trying to make all of its members and the people thoroughly understand its viewpoints and policy concerning renovation, the party has gradually democratized the country's socioeconomic life; launched a mass movement for participation in the process of renovation;

and intensified its leadership and the state's role in socioeconomic management. The party has also stepped up the institutionalization of its policies and paid special attention to training and fostering the contingent of its cadres to ensure that they are capable of performing their tasks.

The application of the LPRP's policy of renovation during the past more than three years has brought about practical results, thus enabling the socioeconomic situation in Laos to be gradually stabilized and undergo development. In 1989, Laos' paddy output reached 1.4 million metric tons, a two-fold increase over that of the first year after liberation and an average per capita distribution of more than 350 kilograms. Laos' industrial and handicraft production increased by five times, with 300 out of the 400 state-run enterprises throughout the country switching their operations to the economic accounting system. New achievements were also recorded in the cultural, educational, and medical fields. During the past 15 years, the number of cadres with college and post-graduate education increased by ten times. Meanwhile, the people's armed forces, which had developed rapidly, were able to firmly defend the country's sovereignty and territorial integrity and maintain political security and social order.

Thanks to its foreign policy of independence and peace, the prestige of the LPDR has increasingly been enhanced in the international arena. Many of its goodwill initiatives and proposals—aimed at peacefully solving the Cambodian issue in the interest of peace, stability, and cooperation in Southeast Asia—have been welcomed and highly appreciated by public opinion worldwide. While strengthening cooperation with Vietnam, the State of Cambodia, the Soviet Union, and other fraternal socialist countries, Laos has sought to improve relations with its neighboring countries; further expand relations with other countries in the world; and procure assistance from various international organizations. Realities have increasingly attested to the correctness and creativity of the policy of renovation adopted by the LPRP. It is impossible to avoid difficulties and groping and stumbling in the process of renovation, which is like a newly-discovered path. Therefore, the LPRP is determined to persevere within the guideline of basing development on renovation and vice versa, in order to advance gradually but steadily. It will take into careful consideration all aspects, combine theory with practice, and gradually perfect its program of action by carrying out this program while concretizing, supplementing, adjusting, and correcting it.

The communists and people of Vietnam take great pride in the fact that for the past several decades, the Communist Party of Vietnam and the LPRP—offspring of the Indochinese Communist Party founded and trained by President Ho Chi Minh—have always supported and assisted each other wholeheartedly and fought shoulder to shoulder with one another for the revolutionary cause of each country. The special solidarity and friendship between the two parties constitute a solid foundation for the all-around cooperation between our two countries on the principles of equality and mutual respect for each other's independence and sovereignty. On this glorious, historic day, let us wish the fraternal Lao people, under the leadership of the LPRP headed by Comrade General Secretary Kaysone Phomvihan, many still-greater successes in the process of renovation in their country.

Europarliament Delegation To Visit 25 Mar

BK2403045490 Hong Kong AFP in English 0223 GMT 24 Mar 90

[Text] Port Moresby, March 24 (AFP)—The European Parliament (EP) is sending a three-man mission to Vietnam on Sunday to look into possible ties and consider development projects, a member of the delegation said here Saturday. The three, led by EP Vice President Wilfred Telkamper, a West German Green, will also seek information on Vietnamese refugees repatriated from Hong Kong.

The delegation intends to meet members of Vietnam's National Assembly as well as representatives of the United Nations High Commissioner for Refugees and non-governmental organisations. The spokesman said they would be seeking information on development priorities and to determine "whether the time is right to consider normal relations with Vietnam" in light of a perceived easing in Hanoi's economic and political policies. They are to visit Hanoi, Ho Chi Minh City and possibly Hue. The three were in Port Moresby for a joint assembly of the European Economic Community and its African, Caribbean and Pacific partners.

Notice on Rumored French, U.S. Pensions

BK2403071890 Hanoi Domestic Service in Vietnamese 1430 GMT 23 Mar 90

[Text] Some people have recently been concerned with the retirement pensions of Vietnamese who formerly worked for France and the United States. To make everyone well aware of this question, the Foreign Ministry's Consular Department releases the following notice:

In 1989, the northern provinces were suddently abuzz with a report about retirement pensions of those who formerly worked for the French Government. Many people sent letters or personally came to the Foreign Ministry's Consular Department asking for help in getting retirement and other pensions for them from the French Government. With a view to helping those involved in this issue correctly understand the matter and knowingly complete necessary procedures if they really are recipients of retirement pensions, the Consular Department has provided adequate guidance in the article "Retirement Pensions of Those Who Formerly Worked for France" published in the TAP CHI QUAN HE QUOC TE [INTERNATIONAL RELATIONS REVIEW] No 2 of 1990.

A false rumor recently spread in the southern provinces saying that the United States and France have issued pensions to those who formerly worked with or served in the armies of these two governments. This is merely a fabrication by villains aimed at instigating the general public and causing instability among the people and disorder in society. As a matter of fact, many people have been deceived into sending their applications and records to various agencies. Some people have even gone to Ho Chi Minh City to inquire about the procedures, wasting their efforts and money in going back and forth. The question of retirement pensions for those who worked for France has been clarified in the article published in TAP CHI QUAN HE QUOC TE No 2 of 1990. The issue of retirement pensions for those who formerly worked for the U.S. Government has never been mentioned by either side.

News Conference Held on Sample Census Results

BK2603154790 Hanoi VNA in English 1523 GMT 26 Mar 90

[Text] Hanoi VNA March 26—A press conference was organised here today by the Central Census Steering Committee to make public the results of the five percent sample of the census, aimed at meeting the urgent needs for accurate and up-to-date data and information on population.

Present were Tran Dinh Hoan, minister of labour, war invalids and social welfare and deputy head of the host committee, Le Van Toan, head of the General Department of Statistics, Dr. Sheila MacVae, director of the U.N. fund for population activities in Vietnam, Dr. Romesh Chandra, representative of the U.N. Department of Technical Cooperation Development, and representatives of offices concerned.

According to the preliminary report, at 00 hrs on April 1st, 1989, Vietnam's population was recorded at 64.4 million i.e. an increase of 11.7 million over the figure of the October 1st, 1979 census. Compared to the world's average rate, Vietnam's population growth has been quite rapid, mainly due to a high fertility rate. The crude birth rate of 3.13 per cent and the total fertility rate of 4 children per woman aged from 15-49 constitute alarming figures. If no active and effective measures are taken in the family planning programme to bring down the birth rate, Vietnam's population could swell to 80 million by the year 2000.

With the crude death rate of 0.84 percent, Vietnam's natural population growth rate was 2.3 percent in 1988 [as received].

The 1989 census also aimed to gather data on the cultural and educational level of the population, the unemployment and the people's housing mainly in urban areas, etc.

VNA Reports Economic Activities in Localities

BK2603093090 Hanoi VNA in English 0729 GMT 26 Mar 90

[Text] Hanoi VNA March 26—During 1981-89, the northern port city of Haiphong sent more than 7,000 families totalling 25,700 persons (including more than 15,200 labourers) to new economic zones in its coastal areas where they reclaimed tens of thousands of hectares of waste land and put them under food and industrial crops.

—A 1,411-tonne freighter has been launched recently by the Bach Dang shipyard also in the northern port city of Haiphong. This is the largest cargo ship ever built by this shipyard, which is equipped with a 1,300-hp [horsepower] engine and modern navigational and communication facilities.

—A joint venture, named Colusa-Vewong, has been set up in Ho Chi Minh City between the city's food company and the Vewong Company of Taiwan to produce instant noodles. The undertaking, with a designed capacity of 100,000 instant-noodle packets per shift, was built at a cost of 2,250,000 U.S. dollars, 61 percent of which were contributed by the Vewong Company. It expects to export 30 percent of its total products this year.

—A joint venture for processing forest products for export with an initial capital of 680,000 U.S. dollars has been set up in the central coastal province of Khanh Hoa between the provincial "March 26" forest product processing enterprise and the Tai Co. International of Canada.

Agricultural Development Bank Expands Business

BK2603090590 Hanoi VNA in English 0723 GMT 26 Mar 90

[Text] Hanoi VNA March 26—The Hanoi Agricultural Development Bank which was opened this time last year has business relations with more than 300 units with a total working capital of 76 billion Vietnamese dong.

The bank has invested 118 billion dong in the form of loan and credit in agricultural development, including 37 billion dong in agricultural production, 14 billion in agricultural material supply and plant protection service, and 34 billion to the food grain procurement. These operations have helped ensure jobs for thousands of labourers and a relative stability in the supply of necessary materials for agricultural production and food price in the capital city.

The bank has lent the state-owned production units 11 billion dong, and reduced the interest rate in favour of 30 such units having difficulties in developing production, thus helping to cut down the cost of production of all those units by 350 million dong per month on average.

The bank has also invested five billion dong in building 70 irrigation works, 63 of them already operational, resulting in a bumper crop in Hanoi's green belt last year.

Natural Calamity Control Law Committee Set Up

BK2503051090 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Mar 90

[Text] To minimize losses caused by natural calamities, a committee for guiding the drafting of the Law on Control of Floods, Typhoons, and Other Natural Calamities—called in short the Draft Law on Control of Natural Calamities—has been set up. The committee held its first meeting on 24 March at the Ministry of Water Conservancy to clearly define its tasks, discuss membership status, and exchange views on preliminary drafting work for the law. Attending the meeting were representatives from the Council of Ministers, the National Assembly, judiciary agencies, the Ministry of Water Conservancy, and other sectors and mass societies concerned.

The participants agreed that it is necessary to promulgate the Law on Control of Natural Calamities as soon as possible. This is a state law bearing the character of a national policy and involving a major issue. The Central Committee for Floods and Typhoon Control will coordinate with various sectors at the central and local levels throughout the country to facilitate the drafting work so the draft law may be announced in the first quarter of 1991 for discussion among the masses. The participants also held that it is necessary to organize seminars on problems related to this issue to help speed up the completion of the law for submission to the state for approval.

Calamity Control Day Set

BK2503075490 Hanoi Domestic Service in Vietnamese 2300 GMT 24 Mar 90

[Text] To mobilize the people, cadres, and combatants throughout the country to enhance the sense of responsibility in fighting against natural calamities and to show their sentiment and profound gratitude toward President Ho Chi Minh on the occasion of his birth centenary, and at the proposal of the Water Conservancy Ministry and the Central Committee for Flood and Typhoon Control, the Council of Ministers has issued a decision naming 22 May, a traditional day for natural calamity control in Vietnam. On this day, echelons of people's committees and sectors concerned will organize appropriate activities aimed at mobilizing the people, cadres, and combatants to review and complete all tasks in preparation for controlling flash floods and typhoons with a strong determination to satisfactorily protect the lives and properties of the people and the state.

Australia

Hawke Spokesman Denies Prostate Cancer Report

BK2703004490 Hong Kong AFP in English 0030 GMT 27 Mar 90

[Text] Canberra, March 27 (AFP)—Australian Prime Minister Bob Hawke's office on Tuesday denied a television report he may have prostate cancer but postponed treatment until after the country's general elections.

"Mr. Hawke does not have cancer of any sort," a spokesman told the AUSTRALIAN ASSOCIATED PRESS (AAP). The spokesman said he did not know whether the 60-year-old Mr. Hawke had been seeing a doctor lately. Mr. Hawke's office declined any further comment on the matter.

The Seven Network said late Monday that the Labor leader could have cancer of the prostate, which is not fatal if caught in time. It said the prime minister decided to wait until after last Saturday's tightly fought elections to have treatment, which could sideline him for five to seven weeks.

Mr. Hawke, who first came to office in 1983, appeared likely to win a fourth term in office although the elections were so close the result was still in the air days after polls closed.

Fiji

Gross Domestic Product Up 12.6 Percent in 1989

BK2603061690 Hong Kong AFP in English 0602 GMT 26 Mar 90

[Text] Suva, March 26 (AFP)—Fiji's gross domestic product (GDP) grew 12.6 per cent last year, returning the island republic's economy to pre-coup 1986 levels, according to figures released here Monday. The Bureau of Statistics said a strong revival in sugarcane production and tourist arrivals in 1989 contributed significantly to Fiji's economic upturn.

The economy recorded a 6.3 per cent decline in 1987 in the wake of two military coups and rose by only 1.3 per cent in 1988. Sugarcane production rose from 363,000 tonnes in 1988 to 461,000 tonnes last year, still short of the record 502,000 tonnes in the 1985 season.

Government statistician Hari Shankar said that construction, up 33.8 per cent, and distributed trade and services, up 29.8 per cent, had been two other growth areas.

"The upturn in the construction sector is attributed to hotel developments, projects undertaken under tax-free zone schemes, and hotels and capital projects in the public sector," he said.

Tourism brought in 280 million Fijian dollars (about 184 million U.S.) in 1989, a rise of some 100 million Fijian dollars (66 million U.S.) on the previous year.

Mr. Shankar said some 250,000 visitors arrived in Fiji last year, only 10,000 short of the record figure for 1986. Fiji recorded a trade deficit of 366 million Fijian dollars (249 million U.S.) last year, a 160 per cent increase on the 140.6 million Fijian dollars (95.6 million U.S.) in 1988.

"The trade deficit is met partly by net earnings from other services especially tourism and supplies of fuel and other services at ports and airports," Mr. Shankar said.

Delegation Plans U.S. Garment Talks Next Month

BK2603071290 Melbourne Overseas Service in English 0500 GMT 26 Mar 90

[Text] The Fijian Government is to send a delegation to the United States next month to fight an attempt by Washington to limit garment imports from Fiji. The secretary of the Trade and Commerce Department, Mr. Nobert Kaile Nasuru, will head the mission which is due to leave in two weeks.

The move follows the decision by Washington to give Fiji 60 days to restrict garment exports to the United States.

Fiji's garments exports to the United States have increased fivefold in recent years.

New Caledonia

New Leader To Head Kanak Independence Movement

BK2503102090 Hong Kong AFP in English 0958 GMT 25 Mar 90

[Text] Canala, New Caledonia, March 25 (AFP)—Paul Neaoutiye's nomination to lead the Kanak Socialist National Liberation Front (FLNKS) marks the independence movement's return to militancy and an end to domination by the conservative Caledonian Union (UC). Mr. Neaoutiye, leader of the hard-line Kanak Liberation Party (PALIKA), succeeds the assassinated Jean-Marie Tjibaou as chief of the pro-independence umbrella group on this South Pacific island.

His nomination here Saturday [24 March] came after an abortive convention in late January which ended without agreeing on a new leader.

Securing Mr. Neaoutiye's nomination was not an easy task, as the majority UC held out for one of its own leaders, Rock Wamytan. But on a proposal from the mainly European Kanak Socialist Party (PSK), the post of Vice President for External Relations was created for Mr. Wamytan, 40, who has been acting vice president since Mr. Tjibaou's death last May 4.

Mr. Wamytan and Mr. Neaoutiye spoke in a single voice for the independence movement, after 10 months of heated internal debate resulting in breaks with the United Kanak Liberation Front (FULK) and Kanak Workers' Union. Mr. Neaoutiye said he wanted to "guarantee FLNKS unity," while Mr. Wamytan stressed their mutual conviction to "do good work together."

Formerly Mr. Tjibaou's cabinet director from 1985 to 1988, Mr. Neaoutiye has already said he favors "a union of independence forces going beyond FLNKS"—tacitly challenging the conservative UC—as well as economic development tied to the indigenous Kanak (Melanesian) population rather than an entirely free-market system.

He affirmed his support for the June 1988 Matignon Accords, which provide for a referendum on self-determination for the territory, "to put decolonization measures in place."

Mr. Neaoutiye added that the convention had decided to revive its grassroots movement, and promised an increased role for militant groups, which he said had been left out of the accords.

FLNKS President To Uphold Tjibaou Policies

BK2603091090 Hong Kong AFP in English 0903 GMT 26 Mar 90

[Text] Noumea, March 26 (AFP)—The newly-installed chief of New Caledonia's major pro-independence organization has rejected multi-million-dollar development programs in favor of realizable projects with local participation.

Paul Neaoutyine, president of the Kanak Socialist National Liberation Front (FLNKS), said Monday he supported independence tied to increased education, balanced development and a greater sharing of responsibilities by native Melanesians—ideas propounded by his assassinated predecessor, Jean-Marie Tjibaou.

Mr. Neaoutyine said in an interview that independence for the French South Pacific territory was part of "the normal march of history," and that he would defend the concepts of Mr. Tjibaou, who was murdered last year. He said he was opposed to multi-million-dollar development projects that failed to take into account New Caledonia's "economic realities."

"We are under-developed economically," he said, adding that development projects "should be ones that people can relate to, can master and that they are capable of realizing."

He said the effort should be to involve the bulk of the Kanak population in essential development—"the drawing up of specific projects aimed at rural communities taking into account the fabric of local economics."

Instead of spending millions of dollars to develop international tourism benefitting outsiders, he recommended infrastructural projects, such as a "proper road system, which would cost several millions (of dollars) but is based on real economic development" for the territory.

Mr. Neaoutyine said he believed his selection Saturday as president of the FLNKS could lead to unity among the various pro-independence groups "thanks to a new spirit favouring a better distribution of responsibilities." He was nominated for the post following intense debate among the various groups. The Caledonian Union (UC), the main component of the FLNKS, continued to back its own candidate, Rock Wamytan, until a compromise was reached by creating a new post of vice-president for Mr. Wamytan.

Mr. Neaoutyine challenged his reputation as a "tough guy," saying he had earned it before the formation of the FLNKS.

"It was a time when my party, the Palika, was the only one to push for independence and to take action outside the Constitution, and without the approval of our current partners in the FLNKS," he said.

"But since 1984 Palika has gone along with group decisions," he added.

He denied that nothing had been achieved in the territory since the major pro- and anti-independence groups signed the Matignon accords with Paris in June 1988. The accords provide for a 1998 referendum on self-determination.

"You could say that nothing has yet shown itself effective, but don't forget that development takes time," he said.

Mr. Neaoutyine said he did not anticipate the creation of a "Kanak bourgeoisie," which pro-independence leaders are opposed to.

"Certainly, Kanak leaders have new cars, but that comes under their role as elected officials, which requires them to travel often. It has nothing to do with personal enrichment or to the birth of some kind of bourgeoisie," he said.

New Zealand

Greens To Organize, Run in October Elections

BK2603002990 Hong Kong AFP in English 2315 GMT 25 Mar 90

[Text] Wellington, March 26 (AFP)—New Zealand environmental activists Monday decided to form their own political party and contest some parliamentary seats in the October general election.

In a statement they said a meeting of previously separate groups at the weekend resolved to go into politics on a joint campaign and the composite organisation would be called "the Greens." The new party is not likely to win any of the country's 97 seats but could raise the heat on the environmental issue during the election campaign.

That would suit the Labour Government of Prime Minister Geoffrey Palmer, which is strong on environmental policy and is already trying to make it a national issue.